

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

INTERNATIONAL Herald Tribune

INTERNATIONAL

Published With The New York Times and The Washington Post

No. 34,371

35/93

PARIS, WEDNESDAY, SEPTEMBER 1, 1993

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Can Success In Geneva Halt War In Bosnia?

Even With Accord, UN Military Officers See Further Conflict

By John Pomfret
Washington Post Service

SPLIT. Croatia — While United Nations mediators pressed the three Bosnian factions Tuesday to sign an agreement that would carve up their country, UN military officers said they were bracing for more war regardless of what happened in Geneva.

Even with an agreement, two hot spots — central and southwestern Bosnia — appear ripe for more bloodshed as Muslim and Croatian factions fight it out for "second place" behind the dominant and militarily powerful Bosnian Serbs.

And if an agreement collapsed, the officers predicted that Serbian paramilitary units would jump back into the fray, attacking Muslim forces in eastern Bosnia and strategic areas around Sarajevo either to press the Muslims back to the negotiating table or to crush them altogether.

Such a prediction was echoed Tuesday by the European Community mediator, Lord Owen, who warned that if Muslim forces did not agree to the plan for Bosnia's partition, then "there are real dangers that Serb forces will cut the country in two."

The skepticism about the prospects for peace among the officers, who are British, Spanish and French, highlights the fact that the 17-month-old struggle in Bosnia-Herzegovina moves according to different times — one at the negotiating table and the other on the ground.

"All the agreements that all of these camps have signed are purely in principle," a senior British officer said, pointing out that whenever negotiations focus on maps in Bosnia little is accomplished. "Meanwhile, out here, they're all looking for an angle, moving troops and getting ready for the next offensive."

The first area of concern to UN officers is central Bosnia, specifically the town of Gorzki Vakuf and the strategic Makljen Ridge about 1,100 meters (3,600) feet above it. Croatian paramilitary forces — backed, UN officers said, by units and weaponry from the Croatian Army — occupy the ridge.

Muslim troops have begun a flanking action east of the ridge, and officers predicted that if a battle broke out for the ridge it could be one of the most dramatic this war has seen.

The Makljen Ridge is strategic because

See BALKAN, Page 4

Peace Prescription: More Realism and Courage

By Thomas L. Friedman
New York Times Service

WASHINGTON — The draft agreement between Israel and the Palestine Liberation Organization is the Middle East equivalent of the fall of the Berlin Wall; seemingly irreconcilable foes suddenly breaking down a barrier to peace that few thought would ever be breached.

But as with the crumbling of the Wall, this agreement is just the beginning of the reconciliation process, not the end of it. It is a triumph of realism over fanaticism and political courage over political cowardice, but it cannot stand on its own. Even more realism and courage will be required to translate this agreement in principle into a detailed and sustainable reality.

This is not a done deal yet. The big question

is whether this delicate Israeli-PLO understanding, reached secretly in the serenity of Norway, can survive the light of day and the political heat of the Middle East.

The reason it might is that this accord was no fluke. In many ways, it was the culmination of a series of international, regional and domestic pressures, which have forced both Israeli and PLO leaders to do the unthinkable.

For the PLO, the end of the Cold War, with the crumbling of both the Soviet Union and the Warsaw Pact, deprived Yasser Arafat of the international diplomatic support, the military aid and the training grounds for Palestinian

students and guerrillas that had been a key prop for his leadership and influence on the world stage.

At the same time, his miscalculation in supporting Iraq against Kuwait during the Gulf War led to the impoverishment of the PLO as all the Arab Gulf states withdrew their financial support.

Additionally, the slump in oil prices made even the PLO's few remaining Arab friends unable to pay it the tithe of oil that had enabled the PLO to reject Israel in comfort.

The PLO's backing for President Saddam Hussein also cost it politically and morally in the West. It was no longer the darling of many Western liberals, and with the emergence of Bosnia on the world stage the Palestinians were

replaced by the Muslims of Sarajevo as the preferred underdogs.

All of these factors forced Mr. Arafat to deal on Israel's terms, agreeing to start with autonomy in the Gaza Strip and Jericho, postponing the issue of who controls Jerusalem and accepting a continued Israeli security presence.

For the Israeli government of Prime Minister Yitzhak Rabin, the decision also grew from a variety of pressures: the government's inability to provide internal security for its citizens without some progress on the Israeli-Palestinian front; the conviction that Israel could never play the economic and political role to which it aspires in the post-Cold War world without

See REALISM, Page 5

Israelis Hold Secret Talks With PLO on Recognition

New Contacts in Europe Parallel Resumption of Washington Conference

WASHINGTON — Negotiators from Israel and the Palestine Liberation Organization were holding more secret talks in Europe on Tuesday to hammer out statements of mutual recognition that the two sides hope to issue in the near future, Arab and Israeli diplomats said.

In the public diplomacy, Israeli and Palestinian negotiators meeting in Washington at the State Department gathered again Tuesday for their eleventh round. Ostensibly, they were also supposed to be working on the details of the Gaza-Jericho plan.

But Arab and Israeli officials said that for now the Washington channel was simply a facade and that the hard-core bargaining would be done in secret in Europe by envoys sent by Israel and Yasser Arafat, chairman of the PLO. Both sides felt they could get more done out of the public eye.

The statements of mutual recognition are a key element of the three-part diplomatic process now beginning to unfold between Israelis and Palestinians.

One part consists of their agreement in principle for Palestinian self-rule in the Gaza Strip and Jericho. The two sides have already drawn up the broad outlines of the agreement in secret and it was approved by the Israeli cabinet Monday. The PLO's executive committee in Tunis must also give its approval, after which the draft accord is expected to be signed by the two parties in Washington.

Another part consists of taking that draft accord and turning it into fine print — that is, a detailed and implementable program, establishing exactly what the Palestinians would control, where the Israeli troops would redeploy and how the two parties would relate on the ground. One month after this fine print is agreed on, the parties would begin implementation.

The third part is the exchange of recognition between Israel and the PLO, the final wording of which is being completed in secret talks in Europe.

Israeli-PLO mutual recognition, which only weeks ago would have been thought impossible, would enable the two parties to take their now secret peace negotiations and make them the formal, public channel through which all future talks between Israel and the Palestinians will be conducted, and through which the draft accord on the Gaza-Jericho plan could be finalized.

In effect, the covert Israeli-PLO relationship of the past few months would be brought out of the cold, and the two formerly bitter enemies would become mutually recognized partners for peace.

Israeli and Palestinian negotiators are hoping that the statements of recognition that the two sides are planning to exchange might give a spur to the whole process, and encourage concessions on points of substance.

Israeli sources said the director-general of the Israeli Foreign Ministry, Uri Saviv, was meeting with envoys sent by Mr. Arafat in Oslo to try to reach agreement on exactly what language will be used in those declarations of recognition and how they will be delivered.

Israel wants the PLO to abrogate its 1964 covenant, which calls for the dissolution of Israel; to renounce the use of violence against Israel inside and outside the occupied territories; and to recognize formally and unconditionally Israel's right to exist — without reservations, escape clauses or traditional PLO ambiguity.

PLO officials say that they are ready to do so, but the exact wording is not agreed on yet. PLO officials say that for them to abrogate their

See TALKS, Page 5



A member of the Popular Front for the Liberation of Palestine painting "No to the Gaza-Jericho plan" on the wall of a refugee camp near Sidon, Lebanon.

China's Recovery Plan Meets Obstacles

AGENCE FRANCE PRES

BEIJING — Zhu Rongji, China's deputy prime minister, has claimed initial success in his two-month offensive to restore order to the economy, but has warned that the situation remains "relatively grim," state-run media reported Tuesday.

Mr. Zhu acknowledged in a report to legislators Monday that Beijing failed to recover two-thirds of nearly 230 billion yuan (\$38 billion) in illegal interbank loans by an Aug. 15 deadline. Recalling the loans was a central part of the deputy prime minister's campaign, launched in July after he was also named central bank governor, to bring down runaway inflation and cool a red-hot economic growth rate of 13.9 percent.

Funds used for speculation in stocks and real estate during the development frenzy of the past 18 months are urgently needed to upgrade China's strained infrastructure.

No explanation for the failure to recall the loans was given. But Chinese officials blame resistance from increasingly independent provincial governments and unrealistic expectations by Mr. Zhu.

Officials in China's coastal cities say it would be impossible to recover the loans without taking a huge loss on their investments.

Mr. Zhu also conceded that it would be "very difficult" to reach the year's goal of controlling the issuing of paper money — a failure officials say would have repercussions for efforts to control inflation, now running at an annual rate of more than 30 percent in some cities.

Money supply grew by 52.80 billion yuan in the first six months of the year, bringing the total value of banknotes in circulation to 486.3 billion yuan, according to official figures.

Another problem touched on by the deputy prime minister was provincial discontent over a shortage of capital, a complaint echoed by foreign investors who say a severe lack of credit has been the only immediate effect of Mr. Zhu's austerity drive.

Mr. Zhu warned that this "tension" would "last for a certain period," attributing it to

See CHINA, Page 11

Kiosk

U.S. Seeks Trade Accord With China

WASHINGTON (Reuters) — The United States would like to reach an agreement with China to waive an estimated \$1 billion in trade sanctions imposed for alleged breach of international missile control guidelines, a senior State Department official said Tuesday.

"We're ready at any time to sit down with the Chinese, both to try to find a way to lift the sanctions if they cooperate but also to explain more fully" the missile technology control and its revised guidelines, said Winston Lord, assistant secretary of state.

General News	Dow Jones	Trib Index
A heavy September policy overload is in store when work resumes in Washington. Page 3.	Up 7.26 3,851.26	Up 0.41% 109.09
A massacre in a Rio de Janeiro shantytown brings calls for an investigation. Page 4.		

Business/Finance	The Dollar
Japanese cars will be subject to even greater restrictions in Europe. Page 13.	This Close Previous Close
	Doll 1.6785 1.6772
	Pound 1.4919 1.4921
	Yen 104.775 103.80
	FF 5.8555 5.8475

Books Page 7.

Clinton to Consider Rejoining Unesco

By Stanley Meisler
Los Angeles Times Service

WASHINGTON — A Clinton administration task force has recommended that the United States revive its membership in Unesco, a United Nations agency abandoned by former President Ronald Reagan to signal U.S. dissatisfaction with the world organization.

Assistant Secretary of State Douglas Joseph Bennett Jr., who headed the task force, said in an interview that the recommendation set October 1995 as the proposed date for rejoining the UN agency.

Amid great fanfare and controversy, the United States withdrew from the United Nations Educational, Scientific and Cultural Organization in 1984, an action that crippled the

agency. The Reagan administration was trying to send a message to the UN system that administrative waste and political antics would not be tolerated by the United States, which pays more dues to the United Nations and its agencies than does any other country.

The recommendation to return to Unesco reached the White House earlier this month, but there was no report on whether President Bill Clinton intended to carry it out.

Cost could be a problem. The American assessment, which amounts to 25 percent of the Unesco budget, would come to \$65 million if the United States rejoined immediately. For that reason, according to a congressional source, the White House Office of Management and Budget persuaded the task force to recommend a delay until the fiscal year beginning in October 1995.

As partial justification for the proposal to return to the Paris-based agency, Mr. Bennett said Unesco had abandoned its controversial political positions.

Any attempt to rejoin Unesco could arouse opposition from conservative circles. But there is considerable support from educational and scientific organizations and from congressmen who consider themselves close supporters of the United Nations. With 22 co-sponsors, Representative Esteban E. Torres, Democrat of California, who served as ambassador to Unesco under President Jimmy Carter, introduced a House resolution in May urging President Clinton to rejoin Unesco this year.

Alzheimer's Skin Test Shows Promise

The Associated Press

WASHINGTON — A laboratory skin test developed at the National Institutes of Health may be able to identify people with Alzheimer's disease, the mind-destroying disorder that cannot now be diagnosed with certainty until after death, researchers said Tuesday.

The test could save money by eliminating extensive clinical testing, and help doctors quickly distinguish those with a fatal disease from those with treatable forms, said Dr. Daniel L. Alkon, who led the research team.

"If this test fulfills its promise, it should have an immediate positive impact on our health care delivery system because we can save hundreds of millions of dollars in diagnostic evaluations," he said.

Alzheimer's disease is a progressive disorder that destroys memory and the ability to function. In a living patient, it is diagnosed only after testing that eliminates all other possible causes of dementia.

There now is no treatment, and the disease always is fatal. It affects an estimated 2.5 million people in the United States alone.

The test is based on the discovery that brain cells in Alzheimer's patients develop a flaw that closes up a microscopic channel through which flows a form of potassium.

Dr. Alkon said researchers speculated that if this happens in brain cells, then perhaps it could happen in other cells in the body. They tested cells taken from the nose and skin. In both cases, he said, the test showed that the potassium channels were collapsed.

JoAnn McConnell, senior vice president of the Alzheimer's Association, said that if the validity of the test could be proven it would be important in dealing with the disease. But she warned that other promising tests for Alzheimer's had been disappointing.

"We are guardedly optimistic about this," she said.

To perform the test, cells are scraped from a patient's skin and then cultured in the laboratory. The cells are then tested with an electrical probe to determine whether the potassium channels are open.

Dr. Alkon said that the Alzheimer's tests had been conducted on 50 samples, including some from patients with other forms of dementia. He said the researchers had been able to determine correctly which specimens were from Alzheimer's patients.

The researcher said that a much larger experiment now planned would use enough patients to verify the skin test statistically.

EMBATTLED CHAMP — Stefan Edberg, the two-time defending champion and third seed, needed five sets to win his first-round U.S. Open match Tuesday. Page 19.

50 من الأصلي

STATESIDE / CLINTON'S AGENDA

POLITICAL NOTES

President Gets an Earful, Thanks to Satellite

WASHINGTON — As President Bill Clinton took his place behind the lectern, one of his aides whispered a small fact to a colleague about the exercise in new technology and politics that was about to begin.

Air Force Quick-Response Wing Draws Attack

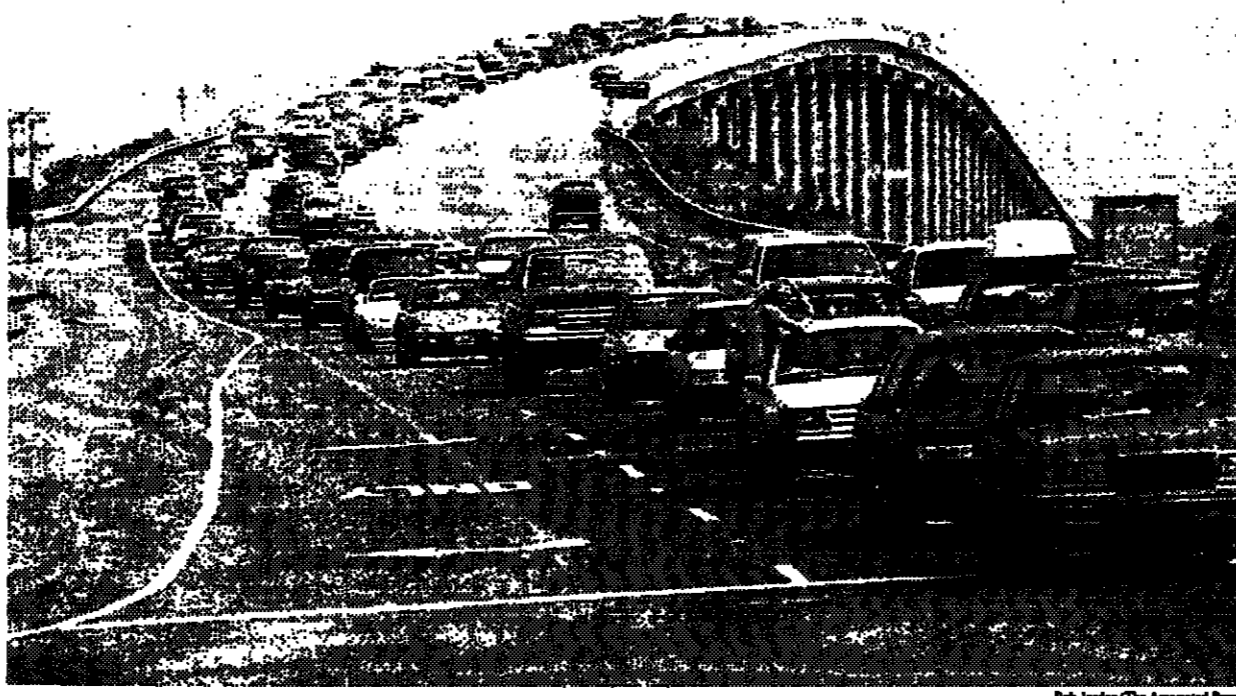
MOUNTAIN HOME AIR FORCE BASE, Idaho — As part of its post-Cold War reorganization, the air force is creating a set of quick-response wings to dispatch to world crises on a moment's notice.

Quote/Unquote

President Bill Clinton, in a speech Tuesday to students who participated in a summerlong pilot program, part of his plan for a national service program: "If every American did what you did for the last two months, if we all could do that for several years, we could revolutionize our country."

Away From Politics

- Twelve members of the Branch Davidian cult have been ordered by a federal judge in Waco to stand trial in November on charges of conspiring to murder four federal agents killed in the Feb. 28 raid on their compound.



Auto traffic backed up on a bridge from North Carolina's Outer Banks as residents fled the path of the advancing hurricane.

Storm Hits Carolina Islands and Turns North

HATTERAS, North Carolina — Hurricane warnings were extended up the East Coast on Tuesday as a storm, drawing strength from the Gulf Stream, brushed North Carolina's barrier islands.

Gore Draft Plan Urges Biennial Budget

By Stephen Barr and Eric Pianin Washington Post Service WASHINGTON — Vice President Al Gore's National Performance Review will recommend that the government adopt a budget every two years instead of annually and ask Congress to loosen its control over spending, according to a draft report.

Washington Faces A Busy September Of Policy Overload

By Robin Toner New York Times Service WASHINGTON — Nobody expects the health-care overhaul to be easy. Nobody expects the struggle over the North American Free Trade Agreement to be neat. Both measures require an enormous amount of public education, some delicate coalition-building and a hard and complicated sales job in Congress.

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NASA Bars Probe Maneuver PASADENA, California — Project scientists at NASA's Jet Propulsion Laboratory have rejected a proposal to restart the computer aboard the Mars Observer spacecraft.

Dining Out AMSTERDAM BRASSERIE DE ROODE LEEUW DORP 9394 Amsterdam ORIGINAL DUTCH CUISINE Lunch/Dinner, per 12 noon-10 p.m. Tel: (20) 550666 of major c.c. accepted.

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Handwritten Arabic text: ١٥٥ من الأصل

Herald Tribune

Published With The New York Times and The Washington Post

Mideast: A Historic Deal

What seemed unthinkable only weeks ago could become a tangible reality before this year is out. Israel and the Palestine Liberation Organization report that they have agreed in principle to begin dismantling Israel's 26-year military occupation of the West Bank and Gaza...

At Last, Secure Peace Is Not Just a Dream

By Yossi Beilin

The writer is deputy foreign minister of Israel.

JERUSALEM — Israel joins the 11th round of peace talks, which began Tuesday in Washington, with reinforced hope that the concentrated efforts of all parties to the talks will yield substantive results.

territory. Our only concern is providing security for our northern towns and farms, and we believe that the security provided by peace treaties is preferable to security enforced by troops.

involvement is crucial to achieve a solution. Progress toward peace is best nurtured on three tracks: Bilateral talks (including the round just commencing) are bolstered and stimulated by shuttle diplomacy.

Who Will Help Build Somalia?

By Michael Maren

NEW YORK — Four hundred U.S. Army Rangers arrived in Somalia last week, bolstering the 25,000 UN troops already there as part of a peacekeeping effort that will cost more than \$1.5 billion this year.

America's Good Intentions Can't Remake the World

By Dimitri K. Simes

This is the second of two articles.

WASHINGTON — Common sense suggests that the stakes are high enough for America to try to avoid Russian disintegration and, in addition, to build good relations with a potential major world player.

more ominously, a devastating blow to the chances of Russian democracy. As if that danger were not enough, senior administration officials in late July delivered for President Clinton's signature a presidential directive that would subordinate sending international peacekeeping forces into the former Soviet Union with the mission of protecting existing borders...

pose its will. After the Athenian victory over the Persians, according to Thucydides, the Athenian ambassadors (representing the superpower of the day) offered the following explanation to rival Sparta of Athens's intent to maintain and even expand its geopolitical outreach...

Germany's Trade Dilemma

Germany is struggling with a dilemma that has painful implications for all of the world's trading nations, of which the largest is the United States. The German government has worked itself into a position in which it apparently feels that it may have to choose between shoring up the European Community and completing the world trade negotiations.

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Washington Post article text regarding Germany's trade dilemma.

Washington Post article text regarding Germany's trade dilemma.



Change Comes to Japan

Japan's new prime minister, Morihiro Hosokawa, is his country's first political leader in 38 years to come from outside the ranks of the Liberal Democratic Party.

Washington Post article text regarding change in Japan.

With the Cold War Over, West Is No Longer West

By Owen Harries

WASHINGTON — Recent proposals that NATO should make guarantees or grant membership to the new states of Eastern and Central Europe reflect a philosophical inertia, an unwillingness to jettison old concepts and modes of thought in the face of utterly changed circumstances.

is a complete misnomer, since the enemies — Germany and Austria-Hungary in the first case, Germany and Italy in the second — were fully fledged members of the West.

various situations, but it must be multilateral action and a proper international mandate must be given. If these conditions cannot be fulfilled, then the United States will, regretfully but justifiably, do nothing.

International Herald Tribune advertisement listing staff members and contact information.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO. 1893: He's a Shy Fellow. 1943: Danes Fight Back. 1918: Foreign Recruits.

1893: He's a Shy Fellow. 1943: Danes Fight Back. 1918: Foreign Recruits. Additional text and images.

OPINION

NAFTA Puts Democrats On a Civil War Footing

By David S. Broder

WASHINGTON — A quarter-century after the Vietnam War...

President Bill Clinton's attempt to secure congressional approval of a free-trade agreement with Mexico...

One speaker after another charged that the pact Clinton is pressing Congress to approve will kill American jobs.

edly recognizing that the potential damage could be great.

Because Americans are not dealing with weekly casualty lists and the horrors of history's first televised war...

One speaker after another charged that the pact Mr. Clinton is pressing Congress to approve will kill American jobs...

The fear that drives the opposition is real — and so is the sense of betrayal. Listen to Lynn Williams...

Rationally, one knows that the flight of unskilled and semiskilled jobs to low-wage countries will continue...

As Democrats, Mr. Clinton is promoting the "boss's anti-union policy..."

The dangers to the Democrats in this situation have been dramatized in the past week by the emergence of House Majority Whip David Bonior...

While the House speaker, Thomas Foley of Washington, supports NAFTA, the majority leader, Richard Gephardt of Missouri...

Mr. O'Neill's break, which was soon joined by the Senate majority leader, Mike Mansfield...

So it is today with Mr. Bonior's outright opposition and Mr. Gephardt's strong criticisms of NAFTA...

It is ironic under these circumstances that Mr. Clinton has enlisted the Chicago lawyer-politician William Daley...

Bill Daley is, of course, the well-liked son of the late Chicago Mayor Richard Daley...

Loyalty always has been the hallmark of the Daleys' brand of politics...

He will go out and try to round up just enough Democratic votes in the House...

Rationally, one knows that the flight of unskilled and semiskilled jobs to low-wage countries will continue...



Free Trade and America's Middle Class

By Richard Reeves

NEW YORK — The two most frightening conversations I have had in the past few months...

"for engineers, managers, designers. We'll do all that here."

The chairman (and principal owner) of several corporations in diverse fields told me he has 21,000 employees in Mexico...

I have been for NAFTA and I have not changed my mind — yet. But, except for a general commitment to free trade...

But we also need a relatively prosperous United States. What was most disturbing to me about those two conversations...

The overriding goal of American democracy, to say nothing of U.S. economic policy, has to be the preservation of a prosperous and overwhelming

middle class. Because, over the long run, if we lose the middle class, we will lose the democracy.

The chief operating officer of a Michigan manufacturer of refrigeration equipment said that if NAFTA became law...

But we also need a relatively prosperous United States. What was most disturbing to me about those two conversations...

The overriding goal of American democracy, to say nothing of U.S. economic policy, has to be the preservation of a prosperous and overwhelming

middle class. Because, over the long run, if we lose the middle class, we will lose the democracy.

Is High-Tech Life-Saving Noble or Simply a Waste?

By Ronald Dworkin

NEW YORK — Was the fiercely expensive Philadelphia operation to separate Siamese twins...

MEANWHILE

lowed to die. But surgeons at Children's Hospital of Philadelphia offered to separate the twin girls...

Mr. Lakeberg's question — Why not defy the odds when life is at stake? — is an important one...

But we also need a relatively prosperous United States. What was most disturbing to me about those two conversations...

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middle class. Because, over the long run, if we lose the middle class, we will lose the democracy.

of care. How should we decide what basic package should contain — whether, for example, it should provide suspensively expensive neonatal operations with only a marginal chance of success?

Suppose the Lakebergs had been people of average wealth, and that when they were married they had been offered the opportunity to buy...

But the Lakebergs might well have decided that it would be better for them and their family to buy the first policy...

That is at least part of the reason, I believe, why so many people reacted to the news from Children's Hospital...

So the rescue principle, noble as it seems, must be abandoned. What should replace it?

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So the rescue principle, noble as it seems, must be abandoned. What should replace it?

LETTERS TO THE EDITOR

Ailing but Armed

Regarding "Communism's Fall Took Too Long, Cost Too Much" (Opinion, Aug. 24):

Richard Reeves writes that "one of the tragedies of the Cold War — a principal reason it lasted so long — was that the Americans leading the fight vastly overreacted to the enemy..."

Mr. Reeves is trying to rewrite history. Ronald Reagan was universally derided by the West's chattering classes...

whether the Soviet Union was strong but whether it was dangerous. A sick man with a gun is still a man with a gun.

Ronald Reagan showed exactly the qualities that Mr. Reeves advocates: His steadfast support for Solidarity in Poland...

RADEK SIKORSKI, Naklo, Poland.

The Happy Humanist

Regarding "The Church, Beyond Sexuality" (Opinion, Aug. 19):

E. J. Dionne makes the curious complaint, "but pluralism rests on mutual respect, and religious people are owed a little more respect than that which is shown by the

assumption that all they care about is sex."

I see no reason why "religious people" deserve more respect, whatever they talk about...

And who is it that assumes that "all they care about is sex"? Mr. Dionne himself mentions sex or sex-related problems within his church several times...

CHARLES BOGGS, Paris.

Two Men Out

Regarding "Star Wars: A Major Scandal or a Resounding Cold War Success?" (Opinion, Aug. 21):

Stephen S. Rosenfeld writes: "Out went Leonid Brezhnev. In came Mikhail Gorbachev."

BERNARD SINSHEIMER, Boulogne, France.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address.

BOOKS

722 MILES:

The Building of the Subways and How They Transformed New York

By Clifton Hood. 335 pages. \$25. Simon & Schuster.

Reviewed by Jonathan Yardley

EVEN in its present semi-decrepit condition, the subway system of New York City is one of the wonders of the urban world.

The subways work reasonably well, all things considered, but it is the contention of Clifton Hood that they would work far better if they were still run under collaborative management of public and private interests...

ration — those of a certain turn of mind might call it a conspiracy — between New York's mercantile elite and one of their own, Abram S. Hewitt...

For most of its early history the subway system was known as the Interborough Rapid Transit Company — the name survives even into this day...

quickly became the system of choice for most New Yorkers. The rest of the story will be familiar to students of politics...

Jonathan Yardley is on the staff of The Washington Post.

cratic political system that enshrined the ideology of business management and that isolated subway administration from the general public.

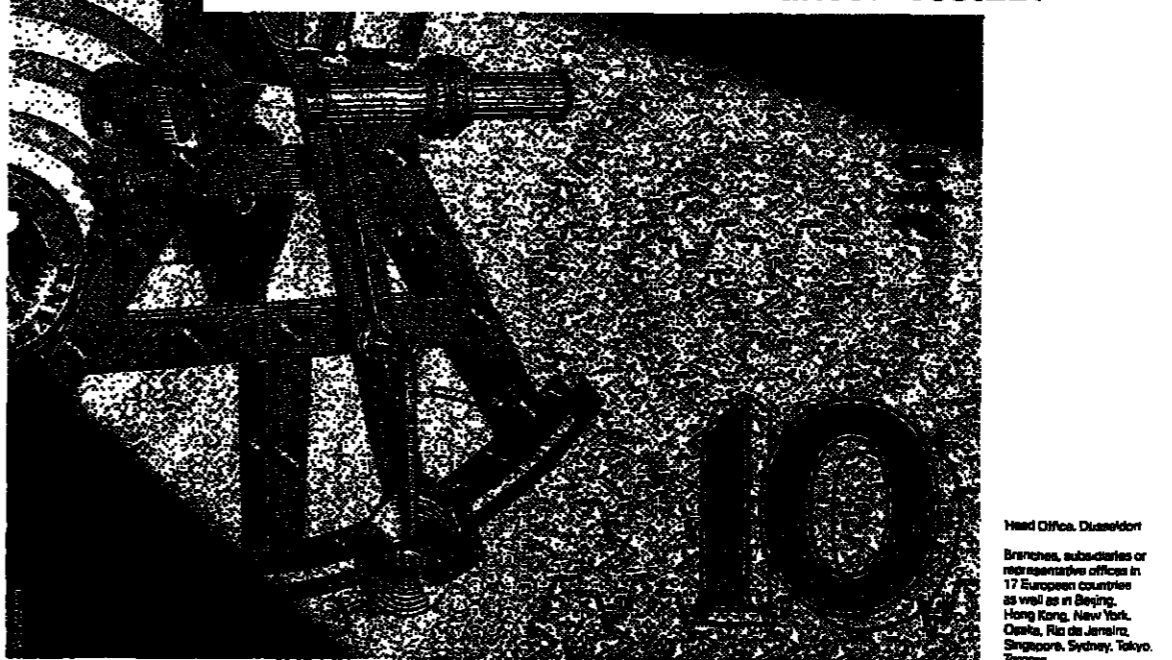
In half a century, then, the New York subway system passed through three stages: In the first, private firms served the public interest but with relatively little accountability...

Jonathan Yardley is on the staff of The Washington Post.

BEST SELLERS

Table with columns for book title, author, and sales rank. Includes titles like 'HONOR AMONG THIEVES', 'THE BRIDGES OF MADISON COUNTY', 'THE NIGHT MANAGER'.

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Handwritten text at the bottom of the page: 'سكوا من الأصل'



Terrence McNally with a favorite maple tree at his 1920s farmhouse on Long Island. "If I read a profile of my life right now, I'd really be envious of this person."

For Terrence McNally, 'Theater Is Its Own Reward'

By David Richards
New York Times Service

BRIDGEHAMPTON, New York — The playwright Terrence McNally says that he habitually beats up on himself, and most of his friends confirm it. "I'm a major self-flagellator," he admits. "I never feel up to the mark. I should be better. Every play should be better. It's my Irish-Catholic background. I can find something wrong with everything. Someone tells me, 'You have a nice house,' and I say, 'Yeah, but it's not near the ocean. Larry Kramer has a beautiful house, right near the ocean. And have you seen Edward Albee's house? He has a self-contained resort.'"

His first effort, "And Things That Go Bump in the Night," was a notorious flop on Broadway in 1965, excoriated by the critics and booed by audiences. He persisted. Four years later, he enjoyed his first success off-Broadway. "Next," a one-act play about an overweight 40ish man who has to report for an army induction physical.

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WHEN Time recently called him "the height of 'hot,'" however, even McNally felt that the magazine might be overstating the case. For all his hits, the playwright is a household name — as "Who's Afraid of Virginia Woolf?" did for Albee or "Angels in America" seems to be doing for Tony Kushner — has continued to elude him.

Also pinned up a copy of his favorite Shakespearean speech, "O! for a Muse of fire" (from "Henry V"), which became the rallying cry of Caldwell's character each time she sailed forth into the Indian landscape.

European Connection For U.S. Vanguardists, New Audiences Abroad

By John Rockwell
New York Times Service

VASSIVIERE EN LIMOUSIN, France — The 1960s and '70s were the golden age for American performers to find work in Europe. Conservative American arts institutions stifled the vanguardists, while the underdeveloped American regional opera scene forced singers abroad.

BECKLEY'S piece "Melody on a Curve" was presented in mid-June at one of the many vanguard performance spaces that now dot the European landscape, in this case, the Künstlerhaus Mousonturm in Frankfurt as part of a series of New York-related performance events.

'The Big Breakfast' Wakes Up British TV

By Suzanne Cassidy
New York Times Service

LONDON — It is inspired, in part, by the anarchic, clattering style known as "zoo" radio, which originated in the United States. It is fired by a red-haired, bespectacled host who looks like one of Wally Cleaver's hipper friends. And it is more wired than the most frenetic household on a weekday morning.

Yates, Gelfof's wife, who has bleached hair, a tattoo and a penchant for wearing frou-frou frocks. On her pink-satin bed, she has interviewed everyone from Demi Moore to Arnold Schwarzenegger to Emma Thompson.

THE ratings are surprising because Channel 4, by its charter, is Britain's "alternative" commercially financed network. It tends to have considerably smaller audiences than the mass-appeal Independent Television network, or ITV.

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		+Singapore 8000-171-477
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		Spain 900-99-0013
		+Sri Lanka 187
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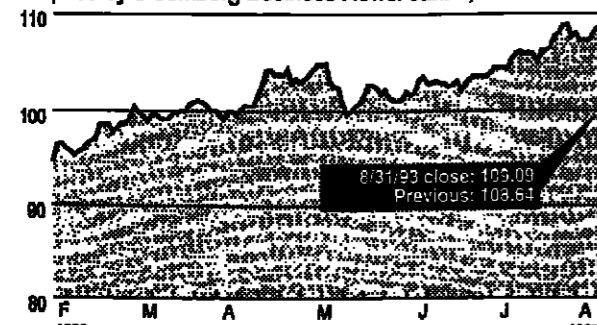
N.Y. performance artist Connie Beckley in Frankfurt.

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THE TRIB INDEX: 109.09

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighting: 25% Close: 129.81 Prev: 128.86	Approx. weighting: 40% Close: 105.57 Prev: 106.82	Approx. weighting: 35% Close: 94.39 Prev: 93.85

Industrial Sectors	The Index	Per. Change
Energy	106.99	+0.22
Utilities	114.77	+0.30
Finance	121.08	+0.74
Services	117.71	+0.39
Capital Goods	104.23	+0.16
Raw Materials	105.87	+0.42
Consumer Goods	90.08	+0.29
Miscellaneous	109.94	+0.67

HSBC Net Doubles, Aided by Sterling

Compiled by Our Staff From Dispatches
LONDON — HSBC Holdings, the parent company of Hong Kong & Shanghai Banking Corp., said Tuesday its pretax profit had more than doubled in the first half, to £1.17 billion (\$1.75 billion) from £21 million, helped by a fall in the pound and a brisk turnaround by its Midland Bank unit.
In Hong Kong, meanwhile, Hongkong & Shanghai Bank said its profit was up 57 percent from a year earlier, to 6.37 billion Hong Kong dollars (\$822.3 million) from 4.05 billion dollars.
HSBC's earnings rose 79 percent in Hong Kong dollar terms, in line with analysts' expectations.
The difference between that rise and its 126 percent gain in sterling terms "reflects the depreciation of sterling since June 1992," HSBC's chairman, Sir William Purves, said at his final scheduled news conference in Hong Kong. He is due to move to London in October.
The pound fell from \$1.90 at the end of June 1992 to \$1.52 by year-end, after the currency crisis that forced Britain out of Europe's exchange rate mechanism.
The group's results also reflected a previously reported profit of £282 million at Midland Bank, which HSBC Holdings fully acquired in 1992 after a takeover battle with Lloyds Bank PLC. That compared with profit of £5 million in the 1992 first half.
Hongkong Bank said its commercial-banking operations continued to benefit from strong economic growth in most of Asia. Its profit growth in China was satisfactory, and its presence there was continuing to expand, it said.
Sir William said the results were encouraging and promised a "satisfactory" outcome for the full year.
Hongkong Bank said its total assets at the end of June were 1.02 trillion dollars, up 6 percent from a year earlier.
As of June 30, the bank's capital ratio was 14 percent. During the six months, its capital resources grew 5.9 percent, to \$3.5 billion dollars. (AFP, Reuters, Bloomberg)

Funds Across the Water U.S. Investors Pour Into Foreign Stocks

By Floyd Norris
New York Times Service
NEW YORK — Foreign stock mutual funds are all the rage among U.S. investors, but the domestic variety seems to be attracting less money, according to the latest figures. And while bond funds are taking in record amounts of money, market timers appear to be growing worried that interest rates may begin to rise.
"Investors are on vacation from U.S. equities and are traveling abroad," said Bruce Speca, a spokesman for the TNE Fund Group. "The international equity market is just exploding."
The effect has been striking not only on U.S. investment patterns but also on the target markets. Such diverse markets as France and Hong Kong are enjoying booms that local analysts explain as largely the work of American fund managers.
At T. Rowe Price, the net cash flow into foreign stock funds in August is up 84 percent from July, said Rowena Ichni, a spokesman. But she added that sales of equity funds that invest in the United States were about even with July's level.
The Investment Company Institute reported Monday that foreign-oriented stock funds took in \$3.1 billion in July, the largest ever for the category. But funds that invest primarily in the United States took in a net \$6.6 billion in the month, down from \$6.9 billion in June and the lowest for any month since October.
Bond funds took in a record \$12.95 billion in July, breaking the old mark, \$10.7 billion in January. Part of that rise was a surge in global bond fund sales, to \$9.1 billion, or the largest since late 1991. But domestic bond funds also set records.
There was a sign that some who time markets are doubting that rates will keep falling, pushing bond prices higher: Investors who move money among different types of funds were net sellers of bond funds in July, taking out \$464 million. It was the third month in the last five that they took money out. With bond rates continuing to fall, the timers have so far not been proved right.
The infatuation with foreign stocks has meant that mutual-fund groups with strong foreign stock funds have continued to rake in cash in what is certain to be the best year ever for the industry. Those without a strong foreign presence generally saw net sales rise only a little or even dip a bit. At Janus Group, whose best products are domestic stock funds, "it was the slowest month of the year," Chrissy Snyder, a spokesman, said about August.
At Fidelity Investments, the largest fund organization, however, August has been the best month ever, with a net \$2 billion pouring in, said Neal Livvack, an executive vice president. He said that most of the money had gone into relatively conservative domestic stock funds, but that the money that went overseas tended to concentrate on volatile areas like Latin America and Southeast Asia.
Some fund groups, among them State Street Research and Putnam Investments, reported decent gains in all categories in August. "People are just looking for a place to park their money in this low-interest-rate environment," said Don Webber of State Street.
For the fund industry as a whole, 1993 has been a dream year. In the first seven months, stock and bond funds together had a net inflow of \$143.3 billion, or 34 percent more than for the corresponding period of 1992.

EC Fails to Close Rift on Trade, Menacing GATT

By Tom Buerkle
International Herald Tribune
BRUSSELS — Belgium's foreign minister indicated Tuesday that the European Community remained divided on agricultural trade at a time when a compromise is needed to keep alive a global trade deal.
The minister, Willy Claes, spoke after meetings in Paris with Prime Minister Edouard Balladur and Foreign Minister Alain Juppé. The French officials presented papers detailing France's objections to the so-called Blair House pact between the Community and the United States on farm trade, and they pressed their demand to reopen negotiations on the deal.
Mr. Claes met later in Bonn with Foreign Minister Klaus Kinkel of Germany, who reiterated opposition to renegotiating the Blair House accord. But Germany's stance has been unclear since Chancellor Helmut Kohl last week surprised his own ministers and expressed sympathy for the French position.
"I don't know if a real renegotiation will be necessary," Mr. Claes said. He stressed the Community would not jeopardize a successful conclusion of the Uruguay Round of talks under the General Agreement on Tariffs and Trade. This, he said, must be achieved "at any cost."
Mr. Claes said it might not be possible for the 12 EC countries to resolve their farm differences at a rare combined meeting of foreign and agriculture ministers in Brussels on Sept. 20. Talks may be carried over to a foreign ministers meeting on Oct. 4 and 5. "If necessary, we will take our time," he said.
But time is running short if the global trade talks are to be concluded by a Dec. 15 deadline, which was affirmed Tuesday by Peter Sutherland, director-general of GATT. He said there would be no extension.
President Bill Clinton of the United States needs the accord by that date to take advantage of his "fast-track" negotiating authority, under which Congress has 90 days in which to accept or reject an entire deal without offering amendments. This authority expires in mid-March.
In an effort to ease the agreement's curbs on export subsidies, France's biggest complaint, the government suggested lowering the pact's 21 percent cut in export subsidies to 16 or 18 percent and phasing it in over nine years instead of six.
The papers also include demands for limits on imports from the United States of corn-gluten feed, which would be admitted duty-free in unlimited quantities under a separate EC-U.S. agreement.
One U.S. official here said the problem was largely a political one for the French government, which has promised to hold out for its farmers. "They've got to get something they can publicly tout as a great victory," he said. Washington has nothing to offer, though, because any French "victory" would only be seized on as a sellout by the U.S. farm lobby, he said.

Hutchison's Murray Departs

Bloomberg Business News
HONG KONG — Simon Murray, one of the Hong Kong business chieftains known as taipans, resigned Tuesday as managing director of the trading conglomerate Hutchison Whampoa Ltd., which is pulling back from the diversification he espoused.
The former French foreign legionnaire has been a major force in the empire of the billionaire Li Ka-shing for more than eight years.
Hutchison reported a 30 percent drop in its 1992 net profit after running up losses in its British telecommunications ventures and taking a write-off of 1.4 billion Hong Kong dollars (\$179.5 million) on its stake in Canada's Husky Oil.
There has been speculation that Mr. Murray, 53, will join Deutsche Bank as head of its Asia operations, based in Singapore. He said he was "in negotiations with several people and Deutsche Bank is not far off."
Canning Fok, one of Mr. Li's closest lieutenants, will replace Mr. Murray. At the same time, Richard Li, 28-year-old son of Li Ka-shing, becomes deputy chairman.
"This may mean that Hutchison will move back to its core businesses where they've proven successful," said Peter Churchouse, head of research at Morgan Stanley in Hong Kong.
According to a company executive who refused to be identified, Mr. Murray was a big supporter of Hutchison Telecommunications when it was created.
But that venture has been a drain on the group, and Mr. Murray is taking the heat, analysts said. The venture failed to get telecommunications applications approved in Australia, South Korea and Germany. Hutchison Telecommunications (U.K.), which has paging and cordless-telephone operations, stands to lose 1.15 billion dollars a year through 1995.
Hutchison's \$525 million sale last month of its investment in STAR TV, a satellite broadcaster, was a further sign that the conglomerate was taking a less ambitious road, analysts said.
The sale followed Hutchison's cancellation of plans to expand its telecommunications business last year and the announcement this year that the company's future would be closer to home, in Hong Kong and China.

MEDIA MARKETS

They've Seen the Future And Switched Channels

By John Lippman
Los Angeles Times Service
CERRITOS, California — What's it like living along the information superhighway? Apparently, you don't even notice it. After four years in the multimedia fast lane, residents of this Los Angeles suburb still spend more time on the freeway than the data expressway.
It wasn't supposed to be that way. Four years ago, James L. Johnson, chairman of GTE Corp., cut a ribbon in Cerritos and proclaimed the suburb would be the site of the most sweeping test yet of interactive television, a test that would "shape future telecommunications for the whole country."
GTE installed what was probably America's most sophisticated cable system, permitting many subscribers to use their TV sets interactively. The project generated a flood of attention over how residents would bank and shop at home, obtain city permits, bone up for college entrance exams, play games and access movies at the flick of a button.
But after a prolonged opportunity to serve as guinea pigs for the TV of tomorrow, hardly any residents subscribe. Most do not even get cable TV, and many who do say they are not interested in ordering flowers on-line or scanning an interactive encyclopedia.
"Quite frankly, I don't know of anyone who uses it," said Mayor John Crowley. "For the average person in Cerritos, it doesn't exist."
GTE officials insist they are happy with the reception for their new services, although they will not discuss how often customers use them.
GTE's project head, Don Bache, admits that the problem has been finding out what subscribers are willing to pay for the convenience of a film that appears within minutes.
"A lot of what we're doing here is speculation," he said. "I don't know if we can prove demand exists for all these services." But, he added, interactive TV should parallel the deployment of other technologies, which often take years to catch on. "You have to in some sense create the demand, like ATM machines," he said.
That hasn't happened yet. Meanwhile, the indifference of Cerritos residents suggests that Americans are far from ready for the dawn of interactive TV.
GTE's experiment is important because it foreshadows the much-ballyhooed era of the 500-channel, two-way cable system. The Cerritos experience suggests that if the future of telecommunications is really going to be interactive, it had better be mindlessly simple and endlessly diverting — not unlike plain old television. And it may not be nearly as big a business as some have suggested.
"We don't have kids at home who would use the encyclopedia See CABLE, Page 14

Microsoft Targeted By Unix Standard

Compiled by Our Staff From Dispatches
NEW YORK — Suppliers of Unix plan to announce Wednesday a common standard that would allow programs to run on most computers that use the operating system.
The idea is to make Unix attractive to companies that create software and thus help it compete with Windows NT, the new operating system from Microsoft Corp.
There have been many versions of Unix, which was developed by American Telephone & Telegraph Co. and is popular in powerful single-unit computers known as workstations. AT&T, which last year sold Unix to Novell Inc., licensed the system to other companies, which created their own variations.
Microsoft, by contrast, maintained control of its DOS and Windows operating systems, not allowing others to copy them.
Because personal computers made by International Business Machines Corp. have been based on DOS, Microsoft dominates the market for operating systems, which transmit instructions between computers and the programs that run on them.
More than 50 companies, including IBM, Hewlett-Packard Co., Apple Computer Inc., Digital Equipment Corp., Hitachi Ltd., Amdahl Corp. and Unisys Corp. are adopting the standard.
IBM, Apple and Motorola Corp. are developing a line of computer processing chips, called PowerPC, that will run the Unix system. They have pledged to work for open standards that will allow any company to design programs that can run on their computers using Unix.
The single specification for application interfaces is expected to be detailed Wednesday. It would provide a common interface — the software equivalent of a light-bulb socket — to handle more than 90 percent of the applications developed for Unix.
Sales of hardware that run Unix systems hit \$18.7 billion last year and should reach \$20 billion this year, according to Rikki Kizner, a San Jose, California-based analyst for Dataquest, a market research firm.
By contrast, sales of hardware that run on Microsoft's DOS, the most widely used system for personal computers, reached \$44 billion last year.
But Unix, popular with scientists and universities, is gaining ground among corporate customers.
Analysts view the agreement as a positive step, but not one that settles the divisions within the Unix camp. (NYT, AP)

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MARKET DIARY

Tech Issues Send Nasdaq to Record

Bloomberg Business News NEW YORK — With computer and software stocks leading the way, some market measures hit record highs Tuesday as over-optimistic interest rates boosted prices.

"The bond market is really giving direction to the stock market," said Ronald Dorn, head of institutional trading at C.L. King & Associates.

While the Dow Jones industrial average rose 7.26 points to 3,651.25, just shy of its record close of 3,652.09 last Wednesday, both the Standard & Poor's 500 Index and the Nasdaq Composite Index rose 1.66 to 463.56, and the Nasdaq Composite soared 5.47 to 142.85.

Advancers led decliners by an 8-to-7 ratio among common stocks on the New York Stock Exchange. About 240 million shares changed hands on the Big Board.

The Commerce Department said the economy grew at a 1.8 percent annual pace in the second quarter, above an earlier estimate of 1.6 percent. The Conference Board said consumer confidence fell to 59 in August from a revised 59.2 in July.

"The GDP number won't shift market perception much," said David Gilmore, senior foreign-exchange analyst at MCM Currency Watch.

The dollar jumped against the Deutsche mark and the yen after the Labor Department is scheduled to release its employment figures for August this Friday.

The dollar has fallen 4 percent against the mark since July 30. Other figures released Tuesday suggest growth could remain sluggish.

Signs that the U.S. economic recovery is still in gear will give the Federal Reserve more leeway to raise interest rates should inflation creep up, analysts said.

The dollar rose as high as 1.6828 DM before finishing at 1.6765 DM, up from 1.6720 DM Monday. It finished at 104.775 yen, up from 103.800 yen.

But traders are waiting for more strong economic news before they bid the dollar higher.

Foreign Exchange the Commerce Department revised its estimate for second-quarter gross domestic product growth to 1.8 percent from 1.6 percent.

The number was better than expected and that was positive for the dollar," said Dave Glowacki, senior trader at NBD Bank in Detroit.

Many analysts and traders had expected second-quarter GDP to be revised downward.

Signs that the U.S. economic recovery is still in gear will give the Federal Reserve more leeway to raise interest rates should inflation creep up, analysts said.

Higher rates would help the dollar by making U.S. deposits more attractive.

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Table with 5 columns: Vol, High, Low, Last, Chg. Lists various stock indices and their performance.

Table with 5 columns: Vol, High, Low, Last, Chg. Lists 'AMEX Most Actives'.

Table with 5 columns: Vol, High, Low, Last, Chg. Lists 'NYSE Most Actives'.

Table with 5 columns: Vol, High, Low, Last, Chg. Lists 'NASDAQ Most Actives'.

Table with 5 columns: Vol, High, Low, Last, Chg. Lists 'NYSE Diary'.

Table with 5 columns: Vol, High, Low, Last, Chg. Lists 'Amex Diary'.

Table with 5 columns: Vol, High, Low, Last, Chg. Lists 'NASDAQ Diary'.

Table titled 'Dow Jones Averages' with columns for Open, High, Low, Last, Chg.

Table titled 'Standard & Poor's Indexes' with columns for High, Low, Last, Chg.

Table titled 'NYSE Indexes' with columns for High, Low, Last, Chg.

Table titled 'NASDAQ Indexes' with columns for High, Low, Last, Chg.

Table titled 'AMEX Stock Index' with columns for High, Low, Last, Chg.

Table titled 'Dow Jones Bond Averages' with columns for High, Low, Last, Chg.

Table titled 'Market Sales' with columns for NYSE, Amex, NASDAQ.

Table titled 'N.Y.S.E. Odd-Lot Trading' with columns for Buy, Sell, Short.

Table titled 'S&P 100 Index Options' with columns for Call, Put, Last, Chg.

Table titled 'EUROPEAN FUTURES' with columns for Close, High, Low, Prev. Close, High, Low, Last, Chg.

Table titled 'Food' with columns for High, Low, Last, Chg.

Table titled 'Metals' with columns for High, Low, Last, Chg.

Table titled 'Financial' with columns for High, Low, Last, Chg.

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Table titled 'Commodities' with columns for High, Low, Last, Chg.

Table titled 'Dividends' with columns for Company, Dividend, Pay Date.

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U.S. Sees Growth at 2.1%

WASHINGTON (Combined Dispatches) — President Bill Clinton's chief economic adviser lowered his 1993 estimate of U.S. economic growth to 2.1 percent on Tuesday.

Laura D'Andrea Tyson, head of the President's Council of Economic Advisers, said in July that the gross domestic product's expansion would be "slightly short" of 2.5 percent, without specifying a rate.

Her comments followed the release of figures showing that the economy grew at a 1.3 percent annual pace in the first half of the year. "This is a modest recovery," Ms. Tyson said.

Separately, she also showed the 1990-91 recession was less severe than previously thought and that the recovery was stronger.

Ms. Tyson attributed the lackluster economic growth for this year to the collapse of commercial real estate prices, defense cuts and recession overseas.

Separately, in New York, the Conference Board said its index of consumer confidence had fallen to 59.0 in August from 59.3 in July, leaving it exactly where it was in August 1992.

Business-fundamental research group's index, which uses its 1985 level as a base of 100, was as high as 78.1 in December 1992.

Litton Wins a \$1.2 Billion Award

LOS ANGELES (UPI) — A federal jury awarded a \$1.2 billion verdict Tuesday to Litton Industries Inc. in a patent-infringement suit it brought against Honeywell Inc.

The case concerns a process to coat mirrors used in ring-laser gyroscopes, a device used for aircraft navigation.

Litton sued Honeywell in March 1990. Honeywell filed a counterclaim in December 1990, alleging Litton tried to monopolize the market for inertial systems and interfered with Honeywell's relationship with suppliers.

Edward D. Grayson, Honeywell general counsel, said he was "outraged" at the size of the verdict, which followed an 11-week trial in Los Angeles.

He also said Judge Mariana R. Pfaltzer, who presided over the trial, may reduce or eliminate the award.

Eaton to Proceed With Acquisition

CLEVELAND (Combined Dispatches) — Eaton Corp. said Tuesday that Siemens AG had waived its right to buy the electrical-distribution and controls business of Westinghouse Electric Corp., clearing the way for Eaton's \$1.1 billion bid.

Siemens had a right of first refusal dating to a 1989 supply contract, said Eaton, an electric and electronic systems and equipment company.

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Stock Prices Jump in Israel

JERUSALEM — Israeli stocks soared Tuesday on Middle East peace developments, but the central bank governor said the country's 1994 budget plan did not take account of the costs of peace.

On the Tel Aviv stock exchange, the Mishnam index of blue-chip shares rose 7.46 percent as the cabinet endorsed a draft plan to turn over control of Jericho and the Gaza Strip to Palestinians.

Also Tuesday, Israel's cabinet tentatively approved a 1994 budget of 114 billion shekels (\$40.71 billion).

But the Bank of Israel's governor, Jacob Frankel, said the spending plan did not account for expenses that "could arise from the latest developments in the political arena."

U.S. FUTURES

Table titled 'Grains' with columns for High, Low, Last, Chg.

Table titled 'Food' with columns for High, Low, Last, Chg.

Table titled 'Metals' with columns for High, Low, Last, Chg.

Table titled 'Stocks' with columns for High, Low, Last, Chg.

Table titled 'Commodities' with columns for High, Low, Last, Chg.

Table titled 'Livestock' with columns for High, Low, Last, Chg.

Table titled 'Stocks' with columns for High, Low, Last, Chg.

Table titled 'Commodities' with columns for High, Low, Last, Chg.

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WORLD STOCK MARKETS

Table titled 'Amsterdam' with columns for Class Prev, Class, Chg.

Table titled 'Brussels' with columns for Class Prev, Class, Chg.

Table titled 'Frankfurt' with columns for Class Prev, Class, Chg.

Table titled 'London' with columns for Class Prev, Class, Chg.

Table titled 'Johannesburg' with columns for Class Prev, Class, Chg.

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Table titled 'Singapore' with columns for Class Prev, Class, Chg.

Table titled 'Stockholm' with columns for Class Prev, Class, Chg.

Table titled 'Stock Indexes' with columns for Class Prev, Class, Chg.

NASDAQ

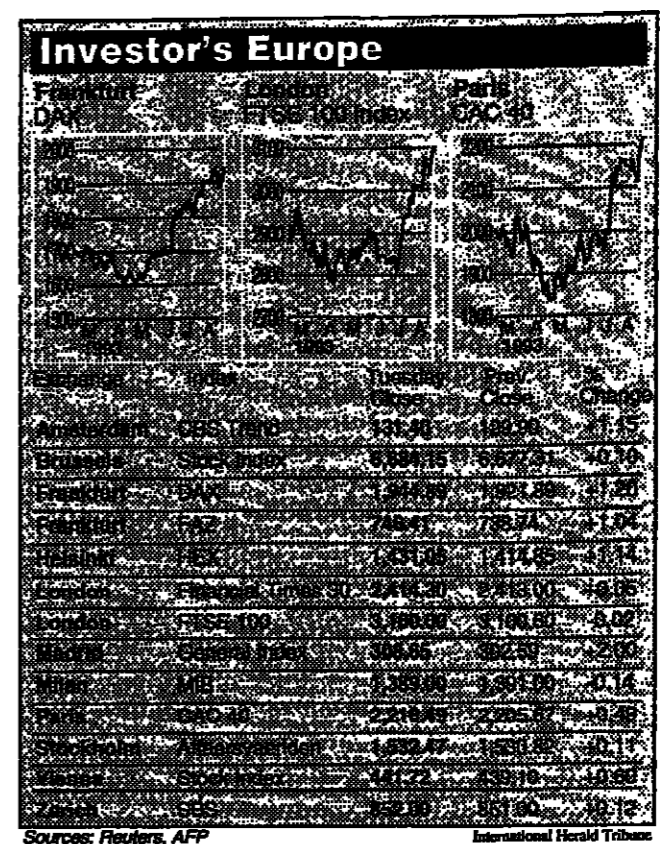
Today's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with multiple columns: High, Low, Stock, Div, Yld, PE, Vol, High, Low, Last, Chg. Lists various stock prices and market data.

Table with multiple columns: High, Low, Stock, Div, Yld, PE, Vol, High, Low, Last, Chg. Lists various stock prices and market data.

BNP Will Be First As France Begins Privatization Sales

Compiled by Our Staff From Dispatches
PARIS — Banque Nationale de Paris will be the first of 21 state-owned companies to be sold to the private sector, Finance Minister Edouard Balladur said Tuesday. Mr. Balladur, speaking at a news conference launching the independent commission that will help to value the companies for sale to investors, said BNP's active role in the French economy made it an obvious first candidate. "It's a symbol," he said, "it's a very good way to get the privatization ball rolling." The 21 companies are due to be sold under a five-year plan worked out by the five-month-old center-right coalition government of Prime Minister Edouard Balladur. Mr. Balladur has said he hopes to raise 40 billion francs (\$6.85 billion) from sales of the first four, scheduled for late this year: BNP, the pharmaceutical and chemical company Rhone-Poulenc SA, the oil company Elf Aquitaine and a small retail bank, Banque Hervet. The exact date of the BNP sale has yet to be set, though Mr. Balladur said it would probably come within a few weeks. Some reports in the French press put the date at Oct. 5. He said the price would be set "at the latest moment possible, at a level above or equal to that fixed by the privatization commission." The French stock market is currently at record highs, and shares of financial companies have fared especially well on expectations of lower interest rates. But the government reserved the right to delay the sale if market conditions changed. Francois Marchall, international salesman for French equities at Societe Generale, said he expected BNP to be priced in a range of 550 to 375 francs a share. Analysts say the state could raise 25 billion to 30 billion francs if it sold its entire direct stake of 72.9 percent in BNP's capital. Last week, when the bank released its first-half results, it put its book value at 37 billion francs. BNP is France's third-largest bank, with 1,900 branches and operations in a total of 78 countries. It recently reported that its net profit after payments to minority interests fell 61 percent to 522 million francs in the first half of this year. But analysts said that represented an attempt by its new chairman, Michel Peberon, to clean up the bank's balance sheet. A jump in provisions for general risks and bad loans, chiefly the result of exposure to troubled small and medium-sized firms, was the main reason for the profit slide. Some had thought Rhone-Poulenc would be sold first, as it had already been valued when 6 million of its shares were sold under the previous Socialist government. But Rhone-Poulenc Chairman Jean-René Fourtou said in early August that he expected a 10 percent decline in first-half net profit and that full-year profit could be down from the previous year. That outlook clashed with several forecasts made by Mr. Fourtou earlier in the year of rising profit. (Reuters, Bloomberg, AP)



Source: Reuters, AFP International Herald Tribune

Very briefly:

- Olivetti SpA said a consortium it leads would invest 2.0 trillion lire (\$1.25 billion) in a cellular network if it was chosen to provide Italy's second system, alongside that of the state-owned SIP SpA.
• VDMA, the Germany machinery-industry group, said machinery orders in July were 9 percent below those of the like month a year earlier; domestic orders fell 13 percent, while foreign orders were off 4 percent.
• EDI, the Federation of German Industry, said the West German economy would contract 2 percent to 2.5 percent this year.
• Switzerland's second-quarter gross domestic product fell 0.2 percent from the first quarter and 1.2 percent from a year earlier, although household consumption edged up 0.2 percent during the quarter.
• Telefonos de Espana SA said net consolidated profit in the first half of the year rose 2.5 percent, to 49.69 billion pesetas (\$366.7 million).
• Koninklijke Bols-Wessanen NV bought the assets of Cedarburg Dairy Inc. in Cedarburg, Wisconsin, in an attempt to expand its U.S. market share, for an undisclosed price; the dairy has annual sales of \$35 million. (AFP, Bloomberg, Knight-Ridder, AP, AP)

CS Profit Disappoints Market

Bloomberg Business News
ZURICH — CS Holding AG disappointed the market Tuesday despite reporting a 62.4 percent rise in first-half profit. The parent of Credit Suisse, CS First Boston, Leu Holding and Swiss Volksbank, said net profit in the first half rose to 882 million francs (\$599.0 million) from 543 million a year earlier. The results were boosted by trading profits linked to unrest in the European Monetary System, analysts said. Provisions for bad debts were 1.34 billion francs, up 62.0 percent, reflecting the weak Swiss economy. Lack of detail about the performance of the CS First Boston securities operation surprised analysts. The CS Holding chairman, Rainer Gut, told shareholders CSFB's trading income rose 51 percent in the first half, boosting overall income by 24 percent. But that was considered low, compared with other brokerage houses. (Bloomberg, Reuters, AP)

This New Car Is Crucial for Fiat

Compiled by Our Staff From Dispatches
TURIN — Fiat SpA on Tuesday unveiled the Punto, a compact car on which much of the struggling automaker's future rides. The Punto will go on sale Nov. 6 in 29 versions, including diesel, with engine sizes ranging from 1100cc to 1700cc. The car first will be sold in Italy, France and Germany, at an expected price of around 15 million lire (\$3,400). It will be available in Britain in January. Fiat invested 5.6 trillion lire to develop the car, which falls into the most competitive segment of the industry. Compacts represent 27.4 percent of all models sold in Europe. In Italy, Fiat's largest market, the segment accounts for 40 percent. The Punto will replace the decade-old Uno, which at its peak sold 700,000 cars a year, about one-third of all Fiat sales. The Punto has a rounded hood and an aerodynamic front that resembles a Renault Clio, the top-selling compact in Europe. At the rear, the back lights are placed flush with the roof of the car. "The Punto will help Fiat renew its great tradition and regain market share," said Paolo Cantarella, head of Fiat's car division. Fiat's share of the Italian market, Europe's second-largest after Germany, has shrunk to around 44 percent from more than 60 percent five years ago. Mr. Cantarella said the car's launch had been timed to take advantage of an expected revival in European car demand next year after the deep slump of 1993. Analysts say the Punto is vital for Fiat's hopes of returning to profit next year and could even determine whether it survives as an independent car producer. Although the company has given no earnings forecasts for 1993, analysts expect Fiat to suffer a loss of at least 1 trillion lire. The Punto is expected to sell 250,000 units by the end of this year, company officers said. At full production, Fiat factories at Mirafiori and Melegnano will make 700,000 Punto cars a year. Fiat hopes to export half of its Punto production. (Bloomberg, Reuters, AP)

TOP FUNDS
North Star Group of Companies operates 33 investment funds which have been awarded No. 1 by Lipper's of the US in 1985, 1987, 1988, 1990, 1991 and 1992.
17% p.a. average since 1984.
16% p.a. in DDM
17% p.a. in CHIF
21% p.a. in FRF
24% p.a. in USF
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Address:
Tel. no:
Post to:
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Tel: 45-33 32 11 22. Fax: 45-33 32 87 17
Custodian Bank:
ARWAMRO Bank
Den Danske Bank International S.A.
DIT-8-93-MKF

CHINA: Zhu's Plan Meets Obstacles

Continued from Page 1
excessive investment in fixed assets since last year. "The current financial situation is still relatively grim," he said. Finance Minister Liu Zhongli, also addressing legislators on Monday, said a serious drain of state finances was continuing despite some success in reducing spending in recent months. State revenue hit 214.35 billion yuan between January and July, up 5.3 percent from the corresponding period last year, while expenditure jumped 9.2 percent to 208.23 billion yuan, he said. He urged greater efforts to meet the year's budget deficit target of 20.5 billion yuan. Despite the mountain of problems, Mr. Zhu stressed that the economy was on the whole in good shape. On the optimistic side, the deputy prime minister cited the stabilization of China's currency on limited-access foreign exchange swap markets and a sharp rise in bank savings since his offensive started. The former Shanghai mayor said rampant real estate speculation, which boosted property and raw material prices, and excessive growth of development zones offer- ing preferential investment policies had also been brought under control. Foreign Help for Airports In a move to modernize airports without drying up central coffers, the Civil Aviation Administration of China will allow foreigners to help run the country's busiest facilities. Bloomberg Business News quoted the China Daily as saying Tuesday. CAAC officials said that a package of airport projects would be announced later this year that will permit foreigners to manage airports as joint ventures. The involvement of foreigners is exceptional because the central government monopolizes China's transportation sector. The announcement comes just as China begins to seek low-interest foreign loans for renovation of its crumbling airports. The government said it planned to spend 30 billion yuan on airport projects across the country before the year 2000, the paper said. The plan is meant to cover about 100 airports and will eventually enable China to triple its airport capacity to handle some 180 million passengers a year, it said.

INTERCONTINVEST SICAV
19-21, bd du Prince Henri
L-1724 Luxembourg
R.C.B. 34576
AVIS
Par décision du Conseil d'administration du 25 août 1993, le compartiment L.L. Straight Bond FRF sera clôturé. Toutes les actions de ce compartiment se trouvent dévolues aux mains d'un seul actionnaire et cet actionnaire ayant demandé le rachat de ses actions par attribution en nature des investissements détenus dans le portefeuille de ce compartiment, le compartiment se trouve liquidé. La dernière valeur nette d'inventaire de ce compartiment a été calculée au date du 19 août 1993. Les demandes de souscriptions et de conversions pour des actions L.L. Straight Bond FRF ne sont plus acceptées.
Luxembourg, le 25 août 1993
Le Conseil d'administration

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Tel: (44) 71 836 48 02
Fax: (44) 71 240 2254
Herald Tribune

GRUPE SEB
CALOR. ROWENTA. SEB. TEFAL
CONSOLIDATED RESULTS FOR THE 1st HALF-YEAR
(FF millions)
Table with columns for 30.06.1993 and 30.06.1992. Rows include Sales, Operating income after interest, Net income, Net income + depreciation.
Practically stable overall (-1% at current parities, +2% at constant parities), sales were up 15% in the United States and 8% in Germany. Operating income after interest increased slightly. Net income includes an extraordinary charge of FF 8.8 million. The debt has decreased by FF 277 million and shareholders' equity has risen by FF 274 million.
The interim Report will be available on September 10th. To obtain a copy, please contact:
Groupe SEB - B.P. 172 - 68192 Esny-Cedex - France - Tel. (33) 72.20.16.40

55 من الأصل

NYSE

Tuesday's Closing

Tables include the nationwide price up to the closing on Wall Street and on major line trades elsewhere. Via The Associated Press

12 Month High Low Stock Op Yr Pk High Low Stock Op Yr Pk High Low Stock Op Yr Pk

12 Month High	Low	Stock	Op	Yr Pk	High	Low	Stock	Op	Yr Pk	High	Low	Stock	Op	Yr Pk
110.00	108.00	IBM	109.00	110.00	108.00	107.00	IBM	109.00	110.00	108.00	107.00	IBM	109.00	110.00
100.00	98.00	Microsoft	99.00	100.00	98.00	97.00	Microsoft	99.00	100.00	98.00	97.00	Microsoft	99.00	100.00
50.00	48.00	Apple	49.00	50.00	48.00	47.00	Apple	49.00	50.00	48.00	47.00	Apple	49.00	50.00
20.00	18.00	Amazon	19.00	20.00	18.00	17.00	Amazon	19.00	20.00	18.00	17.00	Amazon	19.00	20.00

Symbol	Price	Change
IBM	109.00	+0.50
Microsoft	99.00	+0.20
Apple	49.00	+0.10
Amazon	19.00	+0.05

Symbol	Price	Change
Oracle	55.00	+0.30
Sun	45.00	+0.20
Lucent	35.00	+0.15
Motorola	25.00	+0.10

Symbol	Price	Change
Intel	30.00	+0.15
Novell	20.00	+0.10
3Com	15.00	+0.05
PerkinElmer	10.00	+0.05

Symbol	Price	Change
Unisys	12.00	+0.05
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05

Symbol	Price	Change
AT&T	45.00	+0.20
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05

Symbol	Price	Change
Verizon	6.00	+0.05
Qwest	4.00	+0.05
WorldCom	8.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
AT&T	45.00	+0.20
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05

Symbol	Price	Change
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
Verizon	6.00	+0.05
Qwest	4.00	+0.05
WorldCom	8.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
AT&T	45.00	+0.20
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05

Symbol	Price	Change
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
Verizon	6.00	+0.05
Qwest	4.00	+0.05
WorldCom	8.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
WorldCom	8.00	+0.05
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Qwest	4.00	+0.05

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WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05
AT&T	45.00	+0.20

Symbol	Price	Change
Verizon	6.00	+0.05
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Symbol	Price	Change
AT&T	45.00	+0.20
WorldCom	8.00	+0.05
Verizon	6.00	+0.05
Qwest	4.00	+0.05

re Cutback
about Sales

State Court

AMEX

السوق العالمية

More Cutbacks for Japan? Accord on Car Sales to EC Is Expected

Reuters TOKYO — Japan is almost certain to give in to demands for more cuts in its vehicle exports to the slumping European Community market, although a final deal may not be reached at talks in Tokyo this week, industry analysts said Tuesday.

That reduction was based on a forecast that the EC market for cars and light commercial vehicles would shrink by 6.5 percent this year.

Since then, however, the European car industry and the EC Commission have forecast a plunge of 15 percent to 16 percent in the market, with Germany, France, Spain and Italy losing the most.

Taiwan State Companies to Lay Off Hundreds

Reuters TAIPEI — Taiwan's state-owned companies plan to lay off hundreds of employees to boost their competitive edge, the government's Commission of National Corporations said Tuesday.

Corp., employ about 93,000 people. "Personnel costs are a big burden for most of the state firms and retrenchment is a necessary step to cut costs," Mr. Ku said.

Mr. Ku said Taiwan Machinery Manufacturing Corp. planned to lay off about 700 people, China Petrochemical Development Corp. about 200 and BES Engineering Corp. about 200.

Very briefly:

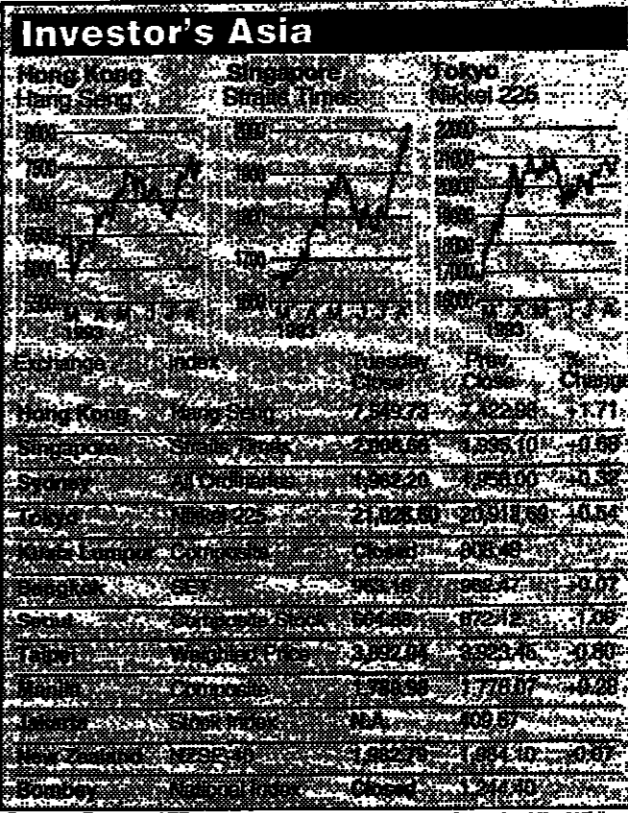
- Bangkok Expressway Co., a consortium of the Japanese construction company Kumagai Gumi Ltd., the Asian Development Bank and Thai banks, was ordered by a Thai court to open an expressway in traffic-jammed Bangkok kept closed by a five-month dispute over tolls.

Japan Seeks Economic Succor

Minister Calls for Rate Cut Data Provide Little Hope

Compiled by Our Staff From Dispatches TOKYO — Hiroshi Kamagai, Japan's minister for international trade and industry, urged the Bank of Japan on Tuesday to cut its discount rate, now at 2.5 percent, and called for the government to consider additional fiscal-stimulus measures.

TOKYO — The latest economic indicators showed little sign of any recovery in Japan despite the government's stimulus measures, economists said Tuesday.



Sources: Reuters, AFP International Herald Tribune

AMEX

Tuesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Financial tables listing stock prices, dividends, and company information. Columns include symbols, prices, and company names.

REPUBLIC OF LEBANON MINISTRY OF NATIONAL EDUCATION & YOUTH & SPORTS COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION. BEIRUT SPORT CITY PRE-QUALIFICATION OF CONTRACTORS. The Government of Lebanon, represented by the Ministry of National Education & Youth & Sports and the Council for Development and Reconstruction (CDR), invites applications from suitably qualified building and civil engineering contractors to pre-qualify to tender for the Rehabilitation and Construction of Beirut Sport City.

مكتبة من الأصيل

NYSE

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High/Low, Div, Yld, PE, Bid, Ask, High/Low, Last Sale, Chg. Lists various stock prices.

Table with columns: 12 Month High/Low, Div, Yld, PE, Bid, Ask, High/Low, Last Sale, Chg. Lists various stock prices.

Table with columns: 12 Month High/Low, Div, Yld, PE, Bid, Ask, High/Low, Last Sale, Chg. Lists various stock prices.

Table with columns: Fund Name, Div, Yld, PE, Bid, Ask, High/Low, Last Sale, Chg. Lists various international fund prices.

Table with columns: Fund Name, Div, Yld, PE, Bid, Ask, High/Low, Last Sale, Chg. Lists various international fund prices.

Table with columns: Fund Name, Div, Yld, PE, Bid, Ask, High/Low, Last Sale, Chg. Lists various international fund prices.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

CABLE: These Californians Have Seen the Future and Switched Channels

Continued from Page 9... thing, and we're not into home shopping," said Charles Rose, a Cerritos resident who also happens to be a telecommunications consultant.

The Cerritos experiment is actually 19 experiments that offer subscribers varying levels of interactivity. GTE is the local phone carrier, too, so it needed a waiver of Federal Communications Commission rules to provide both phone and cable service in the community of 53,000 about 25 miles (40 kilometers) southeast of Los Angeles.

INTERNATIONAL FUNDS

Questions supplied by funds listed. Not asset values questions are supplied by the funds listed with the exception of some quotes based on issue prices.

Table with columns: Fund Name, Div, Yld, PE, Bid, Ask, High/Low, Last Sale, Chg. Lists various international fund prices.



GERMANY BERLIN AND BRANDENBURG

The union of Brandenburg and Berlin will result in Germany's fifth-largest state, in terms of both population and surface area. The state will be home to more than 6 million people and cover nearly 30,000 square meters (323,000 square feet). In 1992, the region chalked up a gross domestic product of more than 150 billion Deutsche marks (\$88 billion).

Union at the Center: A Reality Becomes Official

Two major moves will mark the culmination and the concrete expression of German political union. Both moves are currently the subject of intense, detailed and far-ranging intergovernmental planning and negotiation. And both involve the same city - Berlin - and the same target date - the end of the decade.

The first move is now set for completion by 1998 - eight years after German reunification. Heading toward Berlin, the designated seat of the nation's federal government, are the Bundestag (Germany's national parliament), 10 federal ministries, and the offices of the president and the chancellor. Eight ministries are to remain in Bonn.

The second move will probably occur a year later. Putting an end to decades of political and economic separation, Berlin and Brandenburg will unite to form a single federal state. The state half of Berlin's city-state government, comprising several thousand people, will be relocated to Potsdam, present capital of Brandenburg.

To accommodate the federal agencies, an unprecedented exercise in capital-city planning is unfolding. No less than four individual projects are making their way from architects' drawing boards and the halls of blue-ribbon judging panels toward realization. Each project involves part of Berlin's six-square-kilometer (2.3-square-mile) central governmental and business

district. Once completed, the major, western segment of the central governmental area alone will feature 17 new or totally renovated structures with a total of 380,000 square meters (4 million square feet) of floor space, a major train station and a park-like mall. The timetable for completion is highly dependent upon Germany's economic fortunes and political will.

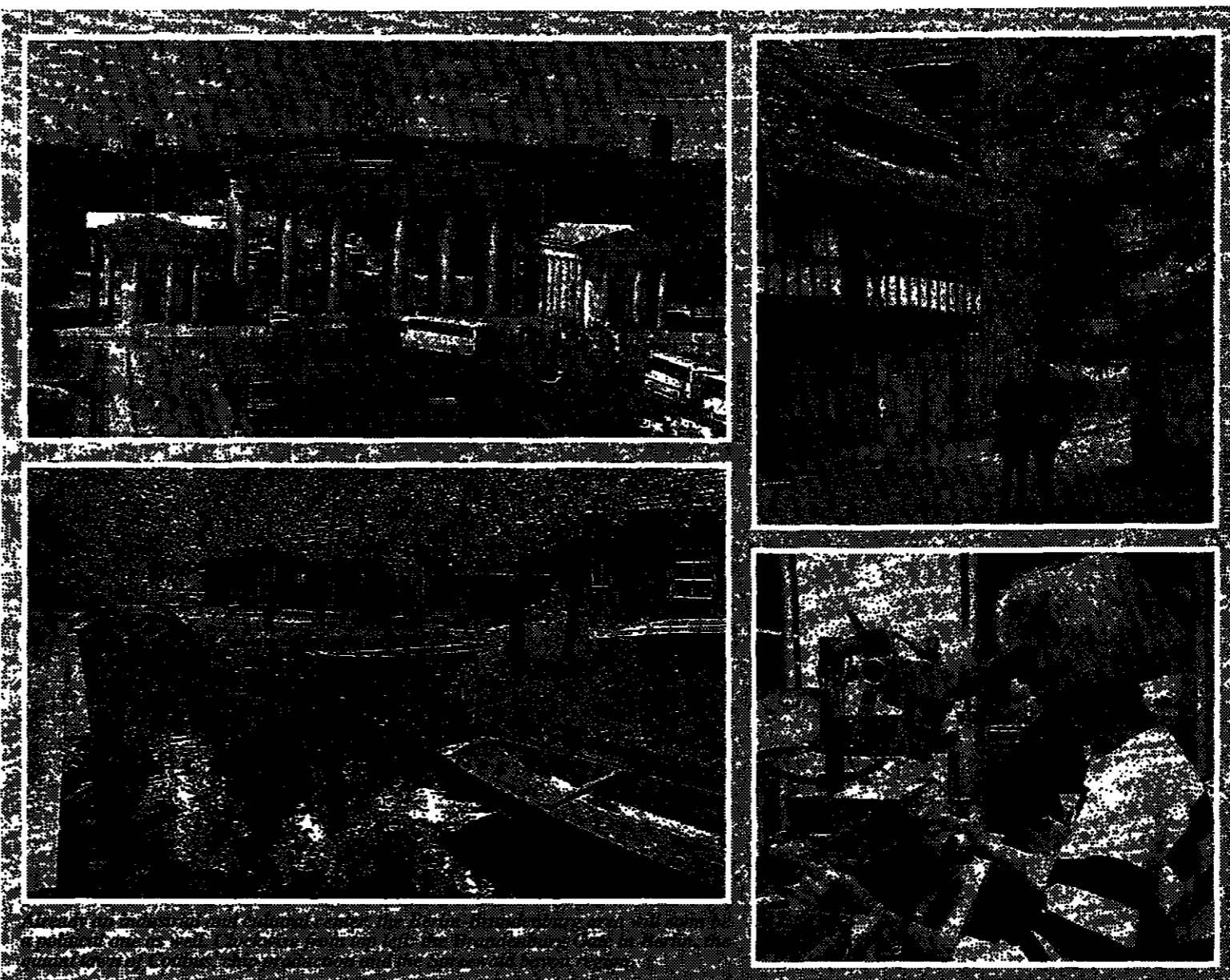
In every aspect but the formal, political one, the capital region has already constituted itself as a single, integrated unit. "Our business persons are far ahead of our politicians," says Gisela Rühl, senior adviser at Brandenburg's state chancellery and member of the interstate-union negotiating team. Walter Hirsche, the state's economics minister, agrees. "When businesses are considering where to locate a new factory or office in the Brandenburg-Berlin region," he says, "they consider a number of factors: access to autobahns and rail lines, quality of personnel available and quality of life. One thing not considered is where the state boundary happens to run."

Networks of branch offices maintained by banks, insurance companies and other service companies routinely extend throughout the entire "Brandenburg-Berlin business area." With the area's booming real-estate market offering a bewildering array of business-park and office sites, trans-state "corporate splits" have become common. A typical company has its headquarters in a newly completed office complex situated on the Berliner Ring (the city's suburban belt-line) or a newly restored "Gründerzeit villa" in Berlin's "center city east" district. Its production facilities extend from Wedding (the heart of Western Berlin's industrial sector) to Tempelhof in Brandenburg's northern region. Its products come from its "research associates," or specialized high-tech companies, clustered in Berlin's four large-scale "innovation parks" and Brandenburg's technology-transfer centers.

Operating on an interstate scale, however, means contending with two separate taxation codes, land-use approval processes, waste-disposal schemes and much more. It is this unnecessary, time- and money-wasting duplication that has made the business community among the most ardent supporters of Brandenburg-Berlin unification.

In its efforts, the business community is backed by the region's residents, for most of whom the unity of Berlin and Brandenburg has become a reality experienced twice every day - when commuting to and from work - and twice on the weekend. On Saturday mornings, the

Continued on Page 16



A Strong Financial Sector for the Capital Region

Buoyed by the accession of a financial hinterland and the creation of a major banking group, Berlin is making a bid to become a center of international financial services.

Germany's unification gave Berlin a deposit-catchment area comprising some 20 million private customers and well over 540,000 corporate customers. Financing this area's ongoing property- and business-development boom has made the city a major supplier and consumer of capital. The city's burgeoning investment power and needs are conveyed to world systems

by newly arrived international houses and a newly organized local banking giant.

Is Berlin set to be Europe's next financial hub? "The volume of the capital transactions initiated by or destined for Berlin and its financial market area entitles the city to be viewed as a continental financial center," says Wolfgang Steinriede, speaker of the board of managing direc-

tors of Berliner Bank AG. "The size and scope of these transactions are helping the city establish itself as a staging ground for international market operations."

Capital is flowing to banks in the Berlin and Brandenburg region in ever-greater quantities. Since unification, Eastern Germany's state and local governments have been grappling with the difficult and costly business of political and economic transformation. Individuals in Eastern Germany have generally been prospering. According to figures released by the Deutsche Bundesbank, the figure for

average personal net worth in the region has jumped 50 percent over the past three years. Brandenburg's banks registered a 25-percent increase in total customer deposits during 1992 and the first quarter of 1993. Eighty-five percent of this increase, or more than 5 billion Deutsche marks (\$3 billion), was generated by private accounts. During the same period, powered by a strong contribution from new clients in the eastern half of the city, Berlin's savings and giro banks recorded a whopping 120-percent increase in total deposits from non-bank customers. These

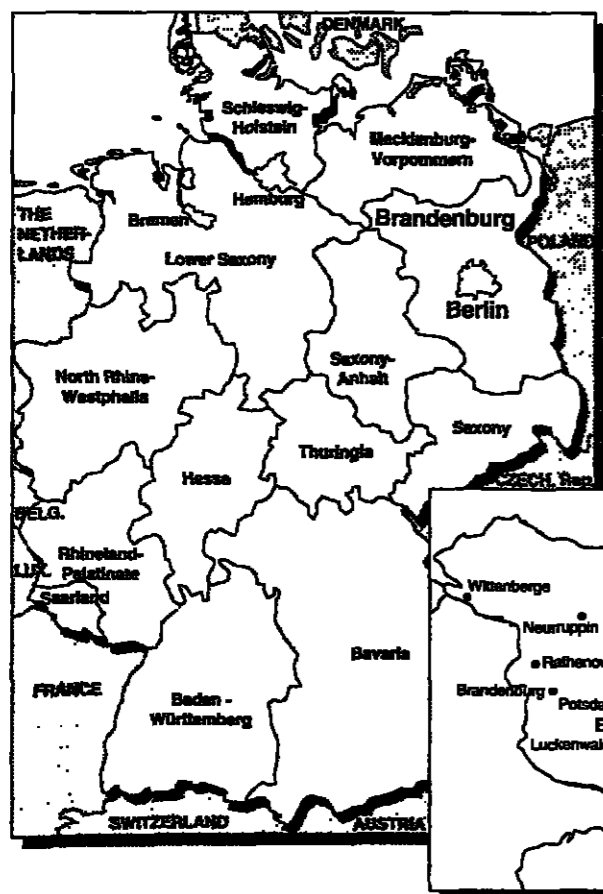
funds generally flow from the banks to local businesses and individuals in the form of credits.

Start-up and operating capital for the 135,000 "operative," or fully functional, companies and professional practices founded in the two states since 1990 has largely been furnished by the region's banks.

Local finance houses have largely bankrolled the region's building boom, which is on course to reach a new peak in 1993.

With such major projects as Berlin's new downtown "federal gov-

Continued on Page 16



Continued on Page 16

Useful Addresses

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'The New State Will Be More Than the Sum of Its Parts'

Eberhard Diepgen is Berlin's Regierender Bürgermeister (governing mayor). Born in 1941, Mr. Diepgen earned a degree in jurisprudence. In 1971, he was elected to West Berlin's city-state parliament. In 1984, Mr. Diepgen was elected governing mayor of Berlin, a position he held until early 1989. In 1991, he was returned to the governing mayorship. In this interview, he discusses the economic and political prospects for Berlin and Brandenburg.

Berlin and Brandenburg recently received a key "getting engaged" present from Theo Waigel (Germany's finance minister). He pledged to continue Berlin's special city-state funding in the period following the "wedding" of Berlin and Brandenburg. Are there any other obstacles standing in the way of this political marriage?

Obstacles, no. But there are literally hundreds of detailed matters to be resolved, as is to be expected when you're welding four very different areas - Western Berlin, Eastern Berlin, the Brandenburgian portion of the metropolis and Brandenburg's other sections - into one political and administrative entity. The two states have already reached a number of important accords, such as the one setting up a joint coordinating agency for urban and regional planning. Other authorities and agreements are in the pipeline.

One perception is helping stoke national support for

the union: that it will be more cost- and time-efficient than the present situation, which features unnecessary barriers and a duplication of bureaucracies. Another plus: the realization that the new state will be more than the simple sum of the two former ones, that joining Berlin's unique assets and strengths to those of Brandenburg will yield synergies - and a very strong state with solid finances. This will obviously benefit the entire country and each of the other individual states.

What changes will redrawing the map produce in the new state and in the country?

The region's businesses and residents have already, to a large extent, redrawn their individual maps. To them, Berlin and Brandenburg are already well on the way to being a single entity.

The map drawing may very well spill over to the national and international levels. The fact that we are currently removing a boundary, that we are forging a region of coherent political and economical dimensions, is setting a precedent for Germany's other states - several of which are now launched on similar, "regionalizing" negotiations - and for the European Community as a whole.

A consensus seems to have emerged among Germany's major political parties. The relocation of the country's federal government is to take place by 1998 on a "move now, build as soon as you can" basis. What's behind this

solidifying support for a relatively speedy move to Berlin?

Tight finances - and the accompanying recognition that the move can be staged in a way that will not pose undue financial burdens upon the country. On the contrary, Downtown Berlin already has a large stock of high-quality buildings owned by the federal government. Quartering ministries in these buildings will cut down on the federal government's total annual overhead. I always stress that 1998 is a point of orientation, nothing more. There's not going to be one big moving day. Various departments in the ministries of economics, transport and the interior will be arriving before then; others will come later.

Tight finances have also brought a welcome measure of realism as regards the time frame for the transformation of Berlin. If you take a look around downtown Berlin, you'll see that there's a lot to be done. It's a job - and this is now generally understood - that will take 20 years and the work and ideas of several generations. There is not going to be a massive uprooting of the center city during this interim period. By using what we have and building what we need, we'll be able to avoid "rush-hour" costs. In the end, Berlin residents will live in one of the most modern cities in the world, and the citizens of Germany will have a highly functional, gracious capital.



Toward union: Mr. Stolpe, Brandenburg's governor.



Eberhard Diepgen, Berlin's governing mayor.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Terry Swartzberg, a business journalist based in Munich, and sponsored by the display advertisers, as well as the Government of the State of Brandenburg, the Government of Berlin, BAO BERLIN-Marketing Service GmbH, Landesbank Berlin and Berliner Bank AG.

مكذوب من الأصل

Brandenburg Speeds Up Development Process

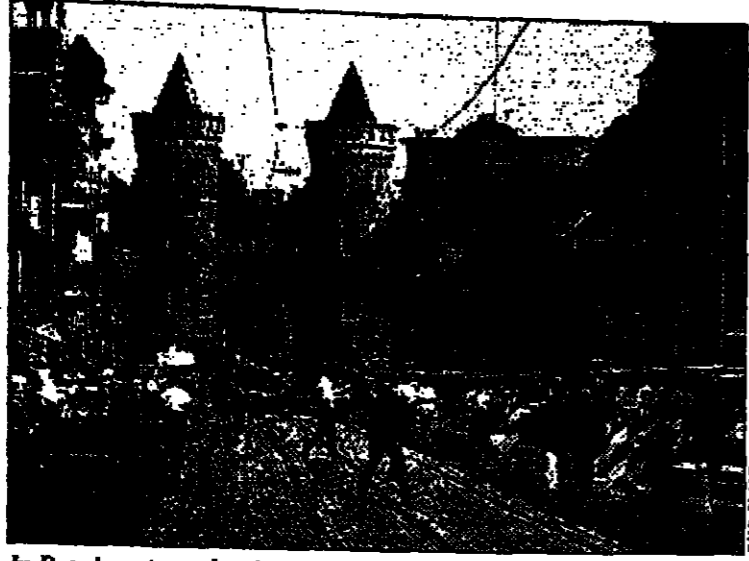
By taking a highly active role in the development process, Brandenburg's state government has drastically shortened investment realization times.

Brandenburg's development figures come adorned with encouraging "rising curves." Potential investors would no doubt be interested to learn that, as of the end of January 1993, other investors had committed 31.3 billion Deutsche marks (\$18.4 billion) to the state, a rise of more than 50 percent over the previous year's figure. Brandenburg's 1992 gross domestic product of 39 billion Deutsche marks represented a 5.2-percent increase

over 1991; at the same time, exports to western states chalked up 2.6 billion Deutsche marks, a rise of 58.2 percent over 1991.

Brandenburg's "through times" also are encouraging for investors. It took 13 months for a major (West German) automobile "prepping" and "turning" company to construct a facility in Etzin, a town located to the west of Berlin. These 13 months included all phases of the plan-authorization process. Nor is this an isolated example. A large-scale apartment complex in Teltow, southwest of Berlin, had a "through time" of less than two years.

Perhaps the most impressive evidence of Brandenburg's commitment to speeding up development and investment procedures is provided by the profusion of well-established business parks in the state over the past three years. In its June issue, *Impulse* - Germany's authoritative business monthly - named 13 business parks in Brandenburg as "top business sites." In selecting these parks, the magazine cited the high availability of skilled workers, the quality of the parks' transport and telecommunication infrastructure and the general economic health of their respective regions.



In Potsdam, 'speed-up' agencies to aid investors.

According to Walter Hürche, Brandenburg's minister for economic affairs, this speed is the end-product of a two-pronged state approach to development. "A state can promote business development by dismantling administrative barriers and providing an ample supply of funds, expertise and other resources," he says. "The state also formulates overall planning guidelines. In Brandenburg, we have created several problem-removing arms. Our 'Business Location Commission' works closely with all authorities involved on a case-by-case basis. By setting up this 'public-sector project manager' - something new to Germany's state governments - we've managed to trim wasted time from the facility-approval process." Five *Aufbaustäbe*, or business-promotion groups, also serve as the state's "speed-up" agencies. They are located in Brandenburg's main regional centers, with headquarters in Eberswalde, Cottbus, Neuruppin, Frankfurt/Oder and Potsdam. These groups are led by such international and national luminaries as Karl Otto Pöhl, long-serving head of the Bundesbank, and F. Wilhelm Christians, chairman of the supervisory board of Deutsche Bank AG. "Time to market" is another closely monitored "through time." It benchmarks the length of the average product-development cycle. Drawing on the state's technological resources, many of the state's estimated 80,000 young companies have managed to introduce "market-making" products and services within a few months of their founding - a feat by anybody's standards. These products include the world's only fully automatic and computerized lens-measuring device (from OEG Optik, Markendorf); and a long-range, air-pollution detecting device using laser technologies (from Elight Laser Systems, Teltow).



Berlin's Alexanderplatz gets a face-lift.

Berlin Once Again a Base For Touring Brandenburg

With more than 7.66 million overnight stays and an average length of visit of 2.56 days (both country-wide bests), Berlin once again laid claim to being Germany's leading tourist city in 1992.

Last year, a surging 100-percent growth in the number of persons lodging in the eastern half of Berlin more than counterbalanced a moderate decline of 10 percent in the number of people staying in the western part. It is not that Western Berlin is slipping in popularity. It is just that, rather suddenly, Eastern Berlin has become a tourist center in its own right. The 2,650 tourist facilities in the city's eastern half chalked up a 19-percent growth in total turnover, with the area's hotels recording a 109-percent increase.

This upswing corresponds to the figures recorded by Eastern Germany's tourist sector as a whole: 27 million arrivals in 1992, or a 20-percent increase over the previous year. The east is becoming a highly popular place to visit.

In the first four months of 1993, 300 new hotels and guesthouses applied for inclusion in the state of Brandenburg's official listings. Over the past few months, 45 hotels and pensions opened for business in the eastern half of Berlin alone. Just as important, an increasing percentage of them provide certifiably high-quality lodging and fare.

Once the end-of-the-line "Wall

City," Berlin is prospering in its new, joint roles as the center of Germany's cultural and night life and the jumping-off point for exploring Brandenburg and the rest of Eastern Germany. Within the city, a new center of tourist facilities has arisen in the downtown (Eastern Berlin) *Unter den Linden* area.

In 1992, 2.4 million people made their way down the watery ways of the Spreewald, Brandenburg's unique bayou area, located some 60 kilometers (37 miles) southeast of Berlin. Most of these visitors were from the greater Berlin area, but a sharply increasing number were first-time and non-German visitors. While a good majority of the tourists to the Spreewald and Brandenburg's 10 other major destinations were on day trips, enough of them were long-term visitors to boost the state's total figure for overnight stays by some 17 percent in 1992.

Many parts of the Schorfheide-Chorin nature preserve, located 50 kilometers north of Berlin, remained completely unvisited in 1992. One reason for this was that large areas of the preserve - Germany's second largest - are reserved for the use of the local inhabitants: beavers, sea eagles and raccoons. Another factor was the Schorfheide's sheer size - 25,000 hectares (62,000 acres). A third reason was simply that the Schorfheide, unlike the Spreewald, has not really been "discovered" yet.

In Berlin, the Olympics of Transformation

On Sept. 23, the International Olympic Committee will decide whether or not Berlin, the venue of some of the decade's most stirring events, is to host the Olympic Games in the year 2000.

A go-ahead from the IOC would give Berlin a highly useful deadline for its third transformation, which would be experienced as a city-wide burst of land-site and riverbank conversion and as a five-year celebration of diversity.

"Berlin is currently working very hard on so many challenging projects," says Lothar Schirmacher, member of the supervisory board of Berlin 2000 Olympia, the body making the city's bid. "I think it would be highly motivating to have a set date, an event to be working toward."

Eberhard Diepgen, Berlin's governing mayor, agrees. "That date would set something of a finish line, albeit temporary, to the very long-term, open-ended race to transform this city and the regions around it."

Berlin is bringing to Olympia a state-of-the-art transport and telecommunications infrastructure as well as "a large stock of up-to-date sporting facilities used by a large, highly active sporting community totaling nearly half-a-million persons," says Friedrich Ruth, career diplomat and deputy managing director of Berlin 2000 Olympia. "Berlin also has quite a bit of practice in being a good, highly efficient host." Mr. Ruth cites a long list of recent sporting events staged in Berlin, including track and field meets and the city's ever-popular marathons.

Olympia would bring to Berlin some 3,700 new apartments in the Olympic Village and other areas, a downtown mass-transit system - Olympia Express - and new or renovated stadiums and sports halls as well as several facilities in Brandenburg and a new sailing harbor in Mecklenburg-West Pomerania.

The whole region joins in actively supporting Berlin's bid, as the whole

region stands to benefit from these region-wide games," says Manfred Stolpe, Brandenburg's prime minister. The most ambitious Olympia-related project is a 30,000-hectare (74,000-acre) interlinked landscape of parks, woods, waterways and sports facilities situated in the heart of Berlin. This new "open cityscape" is at the heart of the plan formulated by Hilmar Hoffmann, leading light of the German arts scene and head of Berlin 2000 Olympia's cultural program. The project aims to turn Berlin into a unified "open-air stage."

In Mr. Hoffmann's plan, Berlin's ever-increasing accessibility will be manifested through the regreening of dozens of kilometers of idyllic regional waterways. Each year, starting in 1996, a newly reclaimed waterway will be commissioned and a city-wide festival will feature one of the four major elements and its related "trait" - water and initiation, earth and urbanity, air and vision, and fire and emotion. In the year



Friedrich Ruth, deputy managing director of Berlin 2000 Olympia.

2000, "Culture - the Elements of Life" will conclude the cycle of annual events. This festival will reach its high point with the opening ceremony of the Olympic Games and in a "peace festival," which will be staged after the games' closing ceremonies.

Two weeks later, in the same facilities, the Paralympics will begin. Handicapped athletes will compete in 19 disciplines during the 11-day event.



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OBSERVER

Man Here Can't Jubilate

By Russell Baker

NEW YORK — Another exciting newspaper piece about the revolution in communications. Something about telephones. Fiber-optic wires. Wires? Did it say wires? Maybe all it said was just plain simple "fiber optics." Wires are old hat. People still say "old hat." Nobody wears a hat anymore. Not for ages. Except baseball caps. Backward. Why do kids wear baseball caps backward? Shields neck from sun that way. Maybe kids afraid of turning into "red necks."

Should "red necks" be one word? "Rednecks" without capital "r"; "rednecks"? Reminder: Can't call Indians "redskins" anymore. Not politically correct. Can "rednecks" be politically correct? How about "the noble red man"? Wants to run a gambling casino nowadays. Just like ignoble paleface politicians. What are fiber optics anyhow? Can you get just one? "I'd like a fiber optic, please." What does optic have to do with telephoning? Optic is about eyes, about seeing, isn't it? Telephones are about hearing. All right, about talking too. And fiber is about breakfast cereal. Good for you to eat a cereal with plenty of fiber, make you live twice as long, or something.

Or maybe that's off. Didn't a scientific study just show fiber doesn't matter after all? Too many scientific studies going on. Scientists always complaining the country doesn't give science enough money to keep up with Japan, or someplace like that.

Why is this newspaper story so excited about a revolution in communications? Revolution's been turned into just another blah blah word. Constant stream of revolutions going on. Afterward everything is just like before the latest revolution, only worse.

Before the sexual revolution there was venereal disease, family breakup, illegitimate births. After the sex revolution: deadlier venereal disease, death of the family, so many illegitimate births that street gangs are substituting for parents.

Revolution in communications probably means even more television, more phone calls, more incentives to madness. Sample pre-revolutionary phone call:

"Hello, Nicholas, how are you today?"
"I'm napping."
"You're napping?"
"Napping! I was napping when you phoned. Who is this anyhow?"
"This is Jack Wolf representing Famously Advertised Brokers & Company. I understand you're interested in the activity of the stock market."
"You're misinformed. I absolutely never buy stocks, bonds, commodity futures or dabble in foreign exchange, considering the entire field of activity as being on a par with and just as corruptive of character as casino gambling, which I am sorry to see the noble red man now, alas, pursuing to the inevitable and predictable detriment of..."
"Ah well, go back to your napping."

Maybe it's neither fiber, optics nor wires that are incubating the revolution in communications. Maybe it's the cellular whatever that goes into those phones you see people ostensibly talking into while driving automobiles. What are those whatever that make the thing cellular? Fibers? Optics? Could look it up.

Not worth it. Important question is not about fiber, optics or cellular whatever. Important question is why people want to talk on telephones while driving. Calling Jack Wolf maybe? Why? To find if stock market has made them millionaires since they finished napping and took the car out to give it a little exercise 10 minutes ago?

Real revolution in communications would eliminate blah blah on phone and TV, not expand it, not deliver more faster. Real revolution would suppress and destroy all communication not interesting or important to communication.

Real revolution would be fax machines and computerized telephone dialing devices turning into mobile cellular quillitons using the miracle of optics or fiber, as appropriate, to pursue and dispose of the world's Jack Wolfs.

Also anybody threatening to afflict humanity with more TV channels. Revolutions never real any more though. Expect things to get even worse.

New York Times Service

Lessons From the Front in Hollywood

By Bernard Weinraub

LOS ANGELES — Although Dawn Steel insists that she's "an ordinary middle-class girl from New York," it doesn't seem quite that simple. One of the few women to climb to the highest ranks in Hollywood, she lives in a hilltop home with startling views of Los Angeles; she's a fixture in the town's top tier; her bank account is decidedly un-middle class, and her rise and fall and rise are hardly an ordinary tale.

"Yes, I see it as a fairy tale, but not a glamorous fairy tale because of the enormous amount of hard work, persistence and perseverance," said Steel, who is now an independent producer and whose first film, "Cool Runnings," is to be released in October.

The perseverance is perhaps the central theme of Steel's autobiography, "They Can Kill You... but They Can't Eat You: Lessons From the Front." To be published this month by Pocket Books, the book is not a slash-and-burn Hollywood exposé that's going to keep her from eating lunch in this town again. It has some personal gossip (before her marriage, she had affairs with Richard Gere and Martin Scorsese) and plenty of celebrity names. But the book, which was written with Marcelle Clements, is mostly an account of a woman's rise as an executive in Hollywood in the 1980s when there were so few of them.

"I felt that if I shared the lessons that I learned — both the good ones and the bad ones — that I might make the climb a little less painful for other women," Steel said, seated in the living room of her home and sipping mineral water. "I did things wrong, and I did things right."

A former president of production at Paramount Pictures and the head of Columbia Studios from October 1987 until January 1991, Steel is blunt, basic and totally unpretentious. Her early mentors at Paramount, where she began as the director of merchandising in 1978, included Barry Diller, the chairman of the Paramount corporation, and Michael Eisner, who was the chairman of Paramount's studios, and Jeffrey Katzenberg, who was its president of production.

Asked why these men and others rapidly advanced her career, Steel said simply: "One was that I was funny. I wasn't heavy handed. I made them laugh and entertained them. And the other thing was that I could identify a good idea. Not a lot of people can do that. That was my gift."

As a production executive, her first major success was "Flashdance." Steel also takes pride in such other Paramount films she helped nurture as "The Accused," "The Untouchables" and "Fatal Attraction."

Yet her skill as an executive was sometimes overshadowed by a reputation (un-



The rise of Dawn Steel as a Hollywood executive is not the ordinary fairy tale.

warranted, she insisted) for an abrasive, take-no-prisoners style.

"It hurt me deeply, this reputation as tough, hard, mean," she said. "It was very painful. I came from guys who wanted to kill me. I react to stress badly. I handle it better these days. But I'm a very straightforward person. I don't know that I was cut as abrasive. In some ways I was hurt because there's an unbelievable amount to accomplish in a day and maybe I was insensitive considering the pressures and responsibilities of these jobs."

Yet she refuses to indulge in the traditional Hollywood defense of strong-willed women: that is, men who are tough are applauded while such women are ridiculed. Bad behavior, she says, is bad behavior. She has seen a well-known male executive throw a chair in rage at a colleague, and has seen another verbally eviscerate underlings. "No one ever read about those guys," she said.

Asked whether her reputation was part-

ly a result of men being envious and threatened by her, Steel shrugged.

"I hate saying that these people were envious because it makes me sound like a victim," she said, "and I'm not a victim and I don't want to be seen as one. I don't want to answer this question. I want you to say this stuff. Let a man say it for once."

Steel, who married Charles Roven, a producer, in 1985, and has a daughter, Rebecca, 6, was born in the Bronx, and grew up in Manhattan and on Long Island. Her father, Nat, had a nervous breakdown when she was a child. Her mother, Lillian, who died recently, was a formidable businesswoman compelled to work to support the family.

Steel studied marketing at the New York University School of Commerce, began working as a receptionist in the garment district in 1968 and later took a marketing job at Penthouse. (She initially told her parents she was working for Mademoiselle.)

The Penthouse job led to Hollywood and the marketing post at Paramount. Certainly the sharpest comments in her book revolve around her abrupt departure from Paramount. She was, essentially, dismissed from her job as president of production in 1987, while in the hospital after giving birth to her daughter. She blames the move, mostly Frank Mancuso, the chairman of Paramount and now chairman of MGM/United Artists, Ned Tanen, the chairman of the Motion Picture Group, and some other lesser executives. They all have declined to comment.

But she was quickly offered the job of running Columbia Studios, which was then owned by Coca-Cola Co. Steel left the job in January 1991, after Sony's purchase of the studio, and became an independent producer, mostly with the Walt Disney Co.

Her first produced film, "Cool Runnings," is a true story about four Jamaicans, unaccustomed to snow, who become Olympic bobsledders. Her next film, "The Power of No," is based on "Lysistrata" by Aristophanes and deals with a group of women in the urban ghetto who refuse to have sex with men until they stop violence.

Running a studio, she said, was grueling. "I never enjoyed the job, ever," she said. "You were far too concerned with things other than the product. Like studio politics, like board presentations, like the press."

Given Hollywood's reputation for cruelty to those who lose jobs, Steel said she was surprised at the loyalty of most — but not all — of the people she considered friends. "After I left Columbia, and I was in limbo for a while, the phone rang one Saturday morning and it was Mike Ovitz," she said. Ovitz, the head of the powerful Creative Artists Agency, "said he had seen 'Awakenings,' which I had green-lighted, and he wanted to wish me congratulations. He didn't have to do that. It was a really important call for me."

Steel said she had thought repeatedly about why Hollywood made films years back with great female stars, like Bette Davis or Joan Crawford or Barbara Stanwyck, and why those roles are rarely available today. She would like to explore the issue, perhaps in a film.

"The real issue is what feminism has done to men," she said. "I'm pretty sure men are completely confused about women today and I'm not sure I blame them. Sure there are men who exhibit despicable behavior. But there are other men who are confused and intimidated. People like Bette Davis were one of a kind. It's not that way anymore. Now men are surrounded by tough broads like me. I have to tell you, for a man to come home to a woman like me is not easy. If I had to come home to a husband like me I'd just want to go to sleep."

PEOPLE

Letterman Has Landed: East Meets West on TV

Now it's REALLY official: the biggest event in U.S. TV history since, well, at least since "Cheers" signed off the air in May. David Letterman moved to CBS with "Late Show with David Letterman," from "Late Night" on NBC. The premiere brought "surprise" well-wishers, Tom Brokaw, NBC anchorman, and Paul Newman, along with the scheduled guests, Bill Murray and Billy Joel. "If you think about it," Letterman said brushing off a boisterous reception at the afternoon taping in New York, "all I really did was take the summer off." On the West Coast, Jay Leno, host of the main competition, the "Tonight" show on NBC, took note. Talking about President Clinton's problems in persuading it-works to carry his speech on health care because of all the competition, he said, "Hey, pal, join the club."

Trouble in paradise? Rocker Adam Clayton's much-ballyhooed wedding to super-model Naomi Campbell is off — at least for a while. A spokesman for the U2 guitarist said the wedding had been put off from September until 1994. There's speculation they have been bickering over Campbell's modeling buddy, Christy Turlington, whom the bride-to-be wanted to invite along on a vacation. Clayton reportedly missed it. The spokesman says the truth is more mundane: "Mainly it was decided: Why rush into it?"

"Wet" was the word that dinged the World Scramble Championships in New York for a television producer from England. Down two games to none, Mark Nymann battled Joel Wagnick of Canada from 10 A.M. to 5 P.M. through five grueling games for the title.

Two of Roy Acuff's violins now belong to Shoji Tabuchi, whose chance meeting with the country music legend 29 years ago inspired his career. Tabuchi's wife, Dorothy, bought them at auction and surprised the Japanese musician with them at their theater in Branson, Missouri. Acuff died last year at 89.

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WEATHER

Weather forecast for Thursday through Saturday, as provided by Accu-Weather. Includes maps and data for Europe, Asia, North America, Middle East, and Latin America.

CROSSWORD

Crossword puzzle with clues and a solution to a puzzle from August 31. Includes a grid and various crossword clues.

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